

# U.S. INTERNATIONAL TRANSACTIONS IN PRIVATE SERVICES

A Guide to the Surveys Conducted by the Bureau of Economic Analysis



U.S. DEPARTMENT OF COMMERCE  
Economics and Statistics Administration  
Bureau of Economic Analysis





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A Guide to the Surveys Conducted by the Bureau of Economic Analysis

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# Introduction

The Bureau of Economic Analysis (BEA) is the primary collector of data on U.S. international transactions in private services. It uses the data collected to compile the U.S. international transactions (or balance of payments) accounts, the national income and product accounts, and the input-output accounts. Other Government agencies use the data to help formulate U.S. trade policy, to analyze the impact of that policy and the policies of foreign countries on international trade in services, and to support trade promotion activities. The data are also used by companies engaged in services trade, private researchers, international organizations, and the general public.

In recent years, BEA has greatly improved the source data used to prepare the estimates of private services, which represent an increasingly important and rapidly growing area of economic activity. As shown in the table below, U.S. exports of private services have increased from \$77.2 billion in 1986 to \$221.2 billion in 1996, or an average of 11.1 percent a year, and U.S. imports of private services have increased from \$66.4 billion to \$143.1 billion, or an average of 8.0 percent a year. Overall, the U.S. position in international markets for private services is strong: In 1996, the United States had a \$78.1 billion surplus on cross-border transactions in private services, compared with a \$191.2 billion deficit on trade in goods.

**U.S. Trade in Private Services, 1986–96**

	Exports			Imports		
	Billions of dollars		Average annual percent change	Billions of dollars		Average annual percent change
	1986	1996		1986	1996	
Total .....	77.2	221.2	11.1	66.4	143.1	8.0
Travel .....	20.4	69.9	13.1	25.9	48.7	6.5
Passenger fares .....	5.6	20.6	13.9	6.5	15.8	9.3
Other transportation .....	15.8	27.2	5.6	17.8	28.5	4.8
Royalties and license fees .....	8.1	30.0	14.0	1.4	7.3	18.0
Other private services	27.3	73.6	10.4	14.8	42.8	11.2

Many of the improvements to the BEA data on private services began in the mid-1980's when the legislation under which data on international investment had been collected—the International Investment Survey Act of 1976—was amended to authorize the collection of data on trade in services and was redesignated the International Investment and Trade in Services Survey Act. The

improvements have taken several forms: Surveys that had been voluntary became mandatory; survey coverage of financial services and other business, professional, and technical services was improved through the institution of new surveys; data collected by other Government agencies and by trade associations were used to develop or improve estimates of several services, such as travel, educational, and medical services; definitions were revised to conform more closely to international guidelines; and estimating methodologies were developed for the preparation of estimates of trade in services on a monthly basis rather than only on a quarterly or annual basis. Additionally, the geographic detail in which the estimates are available was recently expanded.

Many of these improvements have been possible due to new or improved surveys of transactions with “unaffiliated foreigners”—that is, with foreign residents that have no direct investment relationship with the U.S. party to the transaction.<sup>1</sup> BEA conducts 11 surveys of these transactions. This *Guide* has been prepared to provide more detailed information on these surveys. In addition to giving general information about the classification, definitions, and release schedules of the surveys, it provides details for each survey on the transactions covered, the frequency of the surveys, the numbers of respondents, and the methods that BEA uses to prepare the estimates.

While the surveys mainly cover U.S. residents' transactions with unaffiliated foreign residents, in a few cases, data on transactions with affiliated foreigners—that is, transactions between U.S. parent companies and their foreign affiliates or between U.S. affiliates of foreign companies and their foreign parent groups—are also covered in these surveys. For the most part, however, transactions with affiliated foreigners are collected in BEA's surveys of U.S. direct investment abroad and foreign direct investment in the United States; methodologies for these surveys are provided in BEA's publications

1. Direct investment exists when a business enterprise located in one country is directly or indirectly owned or controlled by a person (in the broad, legal sense, including a company) in another country to the extent of 10 percent or more of its voting stock for an incorporated business or an equivalent interest for an unincorporated business.



of the final results of its quinquennial benchmark surveys of direct investment.<sup>2</sup>

### *Availability of the estimates*

Estimates based on the results of the BEA services surveys are published annually in the *SURVEY OF CURRENT BUSINESS* in an article on U.S. international sales and purchases of private services; the article also includes estimates of sales by affiliates.<sup>3</sup> The *SURVEY* article includes annual estimates of most types of services transactions for which the surveys collect data, as well as a geographic disaggregation for most items. For example, the article that was published in 1997 presents estimates by type of service (see table 1) and by geographic area (see table 2) for 1986–96; it also presents country-by-type-of-service detail for 1993–96. As BEA becomes aware of new services in which there may be significant international trade, it adds them to its surveys.

The annual estimates for 1986 forward—including the latest revisions and country-by-type-of-service detail for all years—are also available on diskette and online (see the box “Data Availability”).

Summary annual and quarterly estimates for the major components of services in the balance of payments accounts are published quarterly in the *SURVEY* as part of the U.S. international transactions accounts.<sup>4</sup>

### *Legal authority and confidentiality*

Reporting in the surveys is mandatory under the International Investment and Trade in Services Survey Act

(P.L. 94–472, 90 Stat. 2059, 22 U.S.C. 3101–3108, as amended). This act protects the confidentiality of the data of the companies that report. The assurance of confidentiality is essential to securing the cooperation of reporters and thus to maintaining the integrity of the statistical system.

Except by the prior written permission of the reporter, the data collected in the surveys cannot be published or released in any form that would enable the reporter or the reporter’s data to be identified. In order to ensure confidentiality, the data are aggregated and then evaluated before publication in order to determine whether they can be disclosed. If it is determined that a data cell must be suppressed, a “D” is shown for that data cell in the published tables.

The act specifies that the data collected in the surveys may only be used for statistical and analytical purposes. Access to the data is limited to officials and employees (including consultants and contractors and their employees) of Government agencies that are designated by the President to perform functions under the act. Certain other Government agencies may be granted access to the data under the Foreign Direct Investment and International Financial Data Improvements Act of 1990, but only for limited statistical purposes. BEA is prohibited from granting another agency access to the data for tax, investigative, or regulatory purposes.

As with all government collections of information, the BEA surveys must be approved by the Office of Management and Budget under the Paperwork Reduction Act. As part of the survey design and clearance process, users and

2. For information about these surveys, see *Foreign Direct Investment in the United States: 1992 Benchmark Survey, Final Results* (Washington, DC: U.S. Government Printing Office, 1995); and *U.S. Direct Investment Abroad: 1994 Benchmark Survey, Final Results* (Washington, DC: U.S. Government Printing Office, forthcoming in spring 1998).

The U.S. Bureau of the Census also collects some data on U.S. sales of services to foreigners in its quinquennial economic censuses. The census data are limited to exports by establishments classified as primarily engaged in services activities. Thus, services exported by establishments classified in goods-producing industries are not captured. BEA does not use the census data directly in compiling the U.S. international transactions accounts, but it does use them in maintaining and improving the sample frames for its services surveys.

3. For example, see “U.S. International Sales and Purchases of Private Services: U.S. Cross-Border Transactions in 1996 and Sales by Affiliates in 1995,” *SURVEY* 77 (October 1997): 95–138.

Since 1990, an article on these transactions has been published annually in the *SURVEY*. It was published in the September issues in 1990–95 and in the November issue in 1996; beginning with 1997, it will usually be published in the October issue.

To subscribe to the *SURVEY*, call the Superintendent of Documents, U.S. Government Printing Office at 202–512–1800.

4. See “Table 3.—Private Service Transactions” in the articles on U.S. international transactions in the January, April, July, and October 1996 and 1997 issues of the *SURVEY*. Before 1996, the articles were published in the March, June, September, and December issues.

#### **Data Availability**

The estimates of the U.S. international transactions of private services that are based on the data collected in these surveys are available on the Internet on the Web site of the Bureau of Economic Analysis (BEA) at <<http://www.bea.doc.gov>>. They are also available online to subscribers to STAT-USA of the U.S. Department of Commerce; to subscribe to STAT-USA, call 202–482–1986, or go to <<http://www.stat-usa.gov>>.

The annual estimates are also available from BEA on a diskette that is updated annually. The diskette also includes estimates of sales of services by affiliates. The estimates for 1986–96 are available on the diskette that was produced in October 1997; the product number for this diskette is IDN–0172, and the price is \$20.00.

To order the diskette using MasterCard or Visa, call the BEA Order Desk at 1–800–704–0415 (outside the United States, call 202–606–9666. To order by mail, send a check payable to “Bureau of Economic Analysis, BE–53” to BEA Order Desk, Bureau of Economic Analysis, BE–53, U.S. Department of Commerce, Washington, DC 20230.

survey respondents are given an opportunity to comment on proposed data collections. BEA publishes notices about planned surveys in the *Federal Register*; in these notices, comments on any aspects of the data collections are requested, and all comments received are considered.

In the design of its surveys, BEA makes every effort to strike a reasonable and appropriate balance between the needs of data users for complete, accurate, detailed, and timely data and the concerns of respondents about the burdens imposed by the reporting requirements.

**Table 1.—Private Services Transactions by Type, 1986–96**  
[Millions of dollars]

Line		Exports										
		1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
1	Total private services <sup>1</sup> .....	77,167	86,921	101,076	117,990	137,224	152,413	163,926	172,357	184,195	204,165	221,224
2	Travel .....	20,385	23,563	29,434	36,205	43,007	48,385	54,742	57,875	58,417	63,395	69,908
3	Overseas .....	15,650	18,044	22,314	26,939	30,806	34,518	40,864	45,298	47,299	54,331	60,144
4	Canada .....	2,701	3,309	4,150	5,340	7,093	8,500	8,182	7,458	6,252	6,207	6,763
5	Mexico .....	2,034	2,210	2,970	3,926	5,108	5,367	5,696	5,119	4,866	2,857	3,001
6	Passenger fares .....	5,582	7,003	8,976	10,657	15,298	15,854	16,618	16,611	17,083	19,125	20,557
7	Other transportation .....	15,784	17,471	19,811	21,106	22,745	23,331	22,616	23,050	24,941	27,412	27,216
8	Freight .....	4,651	5,205	6,259	6,913	8,063	8,356	8,450	8,682	9,697	11,420	11,161
9	Port services .....	10,574	11,575	12,820	13,318	13,662	13,979	13,088	13,364	14,180	14,810	14,691
10	Other .....	559	692	732	876	1,020	996	1,078	1,005	1,065	1,184	1,364
11	Royalties and license fees .....	8,113	10,183	12,146	13,818	16,634	17,819	19,656	20,304	22,661	27,383	29,974
12	Affiliated .....	6,174	7,897	9,501	10,961	13,250	14,106	15,658	15,688	17,793	21,670	23,760
13	U.S. parents' transactions .....	5,994	7,668	9,238	10,612	12,867	13,523	14,925	14,936	16,768	20,210	21,916
14	U.S. affiliates' transactions .....	180	229	263	349	383	583	733	752	1,025	1,460	1,844
15	Unaffiliated .....	1,939	2,285	2,645	2,857	3,385	3,712	3,997	4,616	4,869	5,713	6,214
16	Industrial processes .....	n.a.	1,592	1,863	1,947	2,333	2,434	2,525	2,820	3,026	3,583	3,979
17	Other .....	n.a.	693	782	910	1,052	1,278	1,472	1,796	1,843	2,131	2,235
18	Other private services .....	27,303	28,701	30,709	36,204	39,540	47,024	50,294	54,517	61,093	66,850	73,569
19	Affiliated services .....	8,385	8,494	9,568	12,296	13,622	14,539	16,823	16,813	18,651	20,272	22,810
20	U.S. parents' transactions .....	5,577	5,658	6,808	9,117	9,532	9,976	10,479	10,902	12,138	12,795	13,763
21	U.S. affiliates' transactions .....	2,808	2,836	2,760	3,179	4,090	4,563	6,344	5,911	6,513	7,477	9,047
22	Unaffiliated services .....	18,918	20,208	21,141	23,908	25,918	32,486	33,471	37,704	42,442	46,578	50,759
23	Education .....	3,495	3,821	4,142	4,575	5,126	5,679	6,186	6,738	7,175	7,512	7,807
24	Financial services .....	3,301	3,731	3,831	5,036	4,417	5,012	4,034	4,999	5,763	7,029	8,034
25	Insurance, net .....	1,385	1,573	847	103	230	491	682	1,020	1,676	1,390	2,121
26	Premiums .....	3,424	3,615	3,534	3,117	3,388	3,365	3,852	3,981	4,921	5,524	6,179
27	Losses .....	2,039	2,042	2,687	3,015	3,158	2,874	3,170	2,961	3,245	4,133	4,058
28	Telecommunications .....	1,827	2,111	2,196	2,519	2,735	3,291	2,885	2,785	2,865	3,183	3,405
29	Business, professional, and technical services .....	4,428	4,280	5,426	6,152	6,951	11,249	11,994	13,446	15,893	17,765	19,247
30	Accounting, auditing, and bookkeeping services .....	21	27	37	124	119	168	164	164	132	208	238
31	Advertising .....	94	109	145	145	130	274	315	338	487	558	597
32	Agricultural services .....	4	7	4	3	4	56	54	47	30	30	12
33	Computer and data processing services .....	985	649	1,198	978	1,031	1,738	1,902	2,308	2,796	3,197	3,142
34	Construction, engineering, architectural, and mining services .....	759	668	790	939	867	1,478	1,935	2,407	2,474	2,848	2,990
35	Data base and other information services .....	124	133	196	205	283	442	641	694	1,026	1,463	1,629
36	Industrial engineering .....	98	304	278	219	473	363	212	268	575	757	840
37	Installation, maintenance, and repair of equipment .....	1,033	1,087	1,276	1,717	2,031	2,574	2,744	2,978	3,497	3,179	3,716
38	Legal services .....	97	147	272	397	451	1,309	1,358	1,442	1,617	1,664	1,910
39	Mailing, reproduction, and commercial art .....	( <sup>P</sup> )	22	29	9	8	18	14	12	10	4	14
40	Management of health care facilities .....	1	0	( <sup>P</sup> )	0	0	22	22	19	18	18	18
41	Management, consulting, and public relations services .....	306	327	344	300	354	870	728	826	1,134	1,456	1,473
42	Medical services .....	490	516	541	588	630	672	708	750	794	841	872
43	Miscellaneous disbursements .....	n.a.	n.a.	n.a.	n.a.	n.a.	89	97	222	222	240	272
44	Personnel supply services .....	( <sup>P</sup> )	38	( <sup>P</sup> )	2	1	160	127	113	85	94	150
45	Research, development, and testing services .....	282	177	231	375	384	602	611	464	522	660	750
46	Sports and performing arts .....	32	11	( <sup>P</sup> )	43	47	71	43	77	86	116	146
47	Training services .....	73	60	54	109	138	345	320	319	388	432	370
48	Other business, professional, and technical services <sup>2</sup> .....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	107
49	Other unaffiliated services <sup>3</sup> .....	4,482	4,692	4,699	5,524	6,459	6,764	7,690	8,717	9,070	9,699	10,145

See footnotes at the end of the table.



**Table 1.—Private Services Transactions by Type, 1986–96—Continued**  
[Millions of dollars]

Line		Imports										
		1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
1	Total private services <sup>1</sup> .....	66,421	75,506	82,441	87,001	100,570	102,671	104,157	111,947	122,620	134,523	143,086
2	Travel .....	25,913	29,310	32,114	33,416	37,349	35,322	38,552	40,713	43,782	46,053	48,739
3	Overseas .....	20,311	23,313	25,260	25,746	28,929	26,506	29,838	31,859	34,534	36,418	38,162
4	Canada .....	3,034	2,939	3,232	3,394	3,541	3,705	3,554	3,692	3,914	4,319	4,606
5	Mexico .....	2,568	3,058	3,622	4,276	4,879	5,111	5,160	5,162	5,334	5,316	5,971
6	Passenger fares .....	6,505	7,283	7,729	8,249	10,531	10,012	10,556	11,313	12,885	14,433	15,776
7	Other transportation .....	17,817	19,057	20,969	22,260	25,168	25,204	24,894	25,746	27,255	28,249	28,453
8	Freight .....	11,888	11,993	13,147	13,306	14,353	13,881	13,784	14,846	16,324	16,759	16,879
9	Port services .....	5,254	6,392	7,099	8,176	9,920	10,421	10,197	10,005	10,013	10,579	10,792
10	Other .....	674	673	724	778	895	902	914	895	919	911	783
11	Royalties and license fees .....	1,401	1,857	2,601	2,528	3,135	4,035	5,089	4,819	5,560	6,503	7,322
12	Affiliated .....	917	1,309	1,426	1,703	2,206	2,955	3,396	3,386	3,776	5,128	5,301
13	U.S. parents' transactions .....	118	168	141	71	239	166	189	234	261	448	553
14	U.S. affiliates' transactions .....	799	1,141	1,285	1,632	1,967	2,789	3,207	3,152	3,515	4,680	4,748
15	Unaffiliated .....	484	547	1,175	824	931	1,080	1,694	1,433	1,784	1,373	2,021
16	Industrial processes .....	n.a.	436	487	568	666	796	818	1,054	1,034	962	1,126
17	Other .....	n.a.	111	688	256	265	284	876	379	750	411	895
18	Other private services .....	14,785	17,999	19,028	20,548	24,387	28,098	25,066	29,356	33,138	39,285	42,796
19	Affiliated services .....	3,915	5,357	6,043	7,911	9,118	9,732	9,640	10,677	11,860	13,597	16,026
20	U.S. parents' transactions .....	2,391	3,050	3,461	4,783	5,334	5,260	5,355	5,721	5,948	6,820	7,505
21	U.S. affiliates' transactions .....	1,524	2,307	2,582	3,128	3,784	4,472	4,285	4,956	5,912	6,777	8,521
22	Unaffiliated services .....	10,870	12,643	12,985	12,637	15,269	18,366	15,426	18,680	21,278	25,689	26,770
23	Education .....	433	452	539	586	658	698	720	767	816	949	1,041
24	Financial services .....	1,769	2,077	1,656	2,056	2,475	2,669	986	1,371	1,654	2,472	3,184
25	Insurance, net .....	2,201	3,241	2,628	823	1,910	2,467	1,324	3,095	4,034	5,383	4,387
26	Premiums .....	7,217	8,538	8,954	9,909	10,222	11,207	11,738	12,093	14,075	15,187	15,473
27	Losses .....	5,016	5,297	6,326	9,086	8,312	8,740	10,414	8,998	10,041	9,804	11,086
28	Telecommunications .....	3,253	3,736	4,576	5,172	5,583	6,608	6,052	6,365	6,928	7,773	8,385
29	Business, professional, and technical services .....	1,253	1,319	1,848	1,971	1,891	2,785	2,835	3,350	3,628	4,691	5,253
30	Accounting, auditing, and bookkeeping services .....	29	37	31	22	57	89	104	103	130	170	199
31	Advertising .....	77	128	188	228	243	301	450	646	728	718	971
32	Agricultural services .....	5	7	4	2	(*)	22	21	18	14	17	12
33	Computer and data processing services .....	32	74	107	46	44	116	141	304	244	422	334
34	Construction, engineering, architectural, and mining services .....	301	163	307	443	170	315	261	319	280	339	489
35	Data base and other information services .....	23	25	39	31	54	51	72	110	141	172	174
36	Industrial engineering .....	75	103	133	53	74	30	112	142	100	160	188
37	Installation, maintenance, and repair of equipment .....	467	496	616	704	714	538	191	175	164	204	315
38	Legal services .....	40	56	98	81	111	244	311	321	383	468	516
39	Mailing, reproduction, and commercial art .....	12	9	9	8	8	38	37	33	17	27	56
40	Management of health care facilities .....	(*)	0	2	(*)	(*)	13	13	11	12	16	20
41	Management, consulting, and public relations services .....	60	67	73	143	135	271	243	287	321	475	543
42	Medical services .....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
43	Miscellaneous disbursements .....	n.a.	n.a.	n.a.	n.a.	n.a.	342	395	371	538	852	799
44	Personnel supply services .....	25	7	10	10	5	15	14	17	3	4	12
45	Research, development, and testing services .....	76	114	182	133	210	241	225	239	294	358	322
46	Sports and performing arts .....	21	25	40	54	48	84	145	156	122	134	125
47	Training services .....	7	9	10	13	17	77	101	101	137	156	136
48	Other business, professional, and technical services <sup>2</sup> .....	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	41
49	Other unaffiliated services <sup>3</sup> .....	1,961	1,818	1,737	2,028	2,752	3,139	3,509	3,733	4,217	4,420	4,520

n.a. Not available

\* Less than \$500,000.

D Suppressed to avoid disclosure of data of individual companies.

1. Corresponds to lines 1 and 28 (exports and imports of private services) of table 3 of the U.S. international transactions accounts

2. Other business, professional, and technical services consists of language translation

services, security services, collection services, actuarial services, salvage services, satellite photography services, and oil spill and toxic waste cleanup services.

3. Exports include mainly expenditures of foreign governments and international organizations in the United States. Imports include mainly wages of foreign residents temporarily employed in the United States and of Canadian and Mexican commuters in the U.S. border area.

**Table 2.—Private Services Transactions by Area and Country, 1986–96**  
[Millions of dollars]

	Exports										
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
All countries <sup>1</sup> .....	77,167	86,921	101,076	117,990	137,224	152,413	163,926	172,357	184,195	204,165	221,224
Canada .....	8,532	9,434	10,762	13,381	15,743	17,818	17,697	17,366	17,251	18,247	19,951
Europe .....	25,281	30,684	36,207	42,115	48,716	54,041	60,557	62,517	65,567	73,090	80,230
Belgium-Luxembourg .....	1,046	1,048	1,235	1,503	1,796	1,971	2,322	2,223	2,517	2,719	2,800
France .....	2,940	3,682	3,916	4,675	5,573	6,208	7,081	6,882	6,508	7,991	8,749
Germany <sup>2</sup> .....	4,091	5,295	5,989	6,262	7,489	8,925	10,930	11,407	11,405	12,919	13,790
Italy .....	1,885	2,178	2,491	2,716	3,324	3,719	4,512	4,097	4,154	4,569	4,750
Netherlands .....	1,934	2,114	2,458	2,593	3,281	3,582	3,736	4,112	5,106	5,927	6,421
Norway .....							1,119	1,244	1,135	1,207	1,358
Spain .....							2,444	2,247	2,660	3,013	3,151
Sweden .....							1,754	1,729	1,714	1,917	2,413
Switzerland .....							2,953	2,990	3,409	3,594	3,918
United Kingdom .....	6,554	8,443	10,169	12,515	13,050	14,160	15,795	17,230	17,327	18,546	20,482
Other .....							7,915	8,352	9,635	10,694	12,397
Latin America and Other Western Hemisphere .....	13,915	14,252	15,781	17,879	21,718	24,530	26,213	28,652	31,722	32,113	34,073
South and Central America .....	11,124	11,537	13,061	15,099	18,126	20,801	22,665	24,689	26,894	26,825	28,183
Argentina .....							1,814	2,166	2,454	2,448	2,793
Brazil .....							2,462	2,901	3,627	4,839	5,142
Chile .....							614	770	1,115	985	1,174
Mexico .....	3,890	3,962	4,643	6,218	7,875	8,842	9,491	9,341	9,870	7,290	7,923
Venezuela .....	936	841	925	1,042	1,284	1,576	2,007	2,444	2,129	2,489	2,312
Other .....							6,283	7,075	7,701	8,771	8,839
Other Western Hemisphere .....	2,791	2,714	2,720	2,781	3,593	3,728	3,549	3,963	4,829	5,289	5,889
Bermuda .....							415	533	743	603	793
Other .....							3,132	3,427	4,086	4,686	5,095
Africa, Middle East, and Asia and Pacific .....	25,916	28,618	33,713	39,721	45,726	51,656	55,561	59,423	65,141	75,744	81,280
Africa .....							2,348	2,449	2,636	2,957	3,184
South Africa .....							474	505	624	800	967
Other .....							1,874	1,944	2,014	2,158	2,217
Middle East .....							4,109	4,256	5,121	5,935	5,524
Israel .....							947	1,155	1,529	1,726	1,978
Saudi Arabia .....							1,379	1,260	1,870	2,101	1,759
Other .....							1,785	1,841	1,721	2,107	1,787
Asia and Pacific .....							49,104	52,718	57,384	66,852	72,572
Australia .....	1,626	1,872	2,343	2,865	3,302	3,257	3,504	3,604	3,729	4,273	4,575
China .....							1,609	2,021	2,213	2,647	3,090
Hong Kong .....							2,239	2,353	2,673	3,033	3,307
India .....							1,103	1,151	1,230	1,323	1,459
Indonesia .....							775	899	854	1,287	1,440
Japan .....	10,333	12,439	14,898	18,452	21,260	24,093	25,622	26,856	28,877	33,275	35,253
Korea, Republic of .....							3,418	3,792	4,686	5,988	7,886
Malaysia .....							722	766	867	1,074	1,377
New Zealand .....							768	801	815	979	1,049
Philippines .....							1,040	1,322	1,226	1,123	1,165
Singapore .....							2,159	2,418	2,718	3,285	3,928
Taiwan .....							3,169	3,465	4,164	4,552	4,240
Thailand .....							764	1,026	997	1,199	1,312
Other .....							2,214	2,240	2,335	2,815	2,492
International organizations and unallocated .....	3,523	3,927	4,612	4,900	5,325	4,368	3,874	4,383	4,508	4,970	5,691
Addenda:											
European Union <sup>3</sup> .....	21,013	25,569	29,774	34,687	39,530	44,495	51,285	52,635	54,381	64,093	69,809
Eastern Europe <sup>4</sup> .....	327	342	452	745	1,009	1,188	1,223	1,657	2,198	2,614	3,028

See footnotes at the end of the table.

Table 2.—Private Services Transactions by Area and Country, 1986–96—Continued  
[Millions of dollars]

	Imports										
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
All countries <sup>1</sup>	66,421	75,506	82,441	87,001	100,570	102,671	104,157	111,947	122,620	134,523	143,086
Canada	6,440	6,989	8,500	8,801	9,307	9,937	9,671	10,291	11,180	12,542	13,818
Europe	24,254	28,443	31,030	33,226	40,030	39,489	40,351	44,682	49,026	53,604	55,815
Belgium-Luxembourg	607	562	628	823	1,027	962	1,039	1,059	1,248	1,522	1,611
France	2,283	2,695	2,948	3,535	4,187	3,959	4,765	4,966	5,671	6,175	6,309
Germany <sup>2</sup>	3,999	5,217	5,562	6,081	6,852	6,461	6,407	6,849	7,294	7,895	8,586
Italy	2,264	2,516	2,880	2,874	3,485	3,315	3,185	3,156	3,446	3,732	3,724
Netherlands	1,038	1,311	1,326	1,618	1,945	2,169	2,486	2,222	2,585	3,171	3,238
Norway							1,081	1,457	1,397	1,178	1,254
Spain							1,515	1,081	1,144	1,092	1,190
Sweden							804	969	875	858	871
Switzerland							1,718	1,957	2,303	2,259	2,512
United Kingdom	7,577	8,959	9,460	9,864	11,624	12,155	10,596	13,700	14,627	16,359	17,128
Other							6,752	7,263	8,429	9,366	9,401
Latin America and Other Western Hemisphere	14,316	16,096	16,566	17,912	20,298	21,495	22,385	22,954	25,309	27,212	30,070
South and Central America	8,755	10,131	11,074	12,167	14,305	15,105	15,671	15,920	17,437	18,234	19,788
Argentina							451	467	573	578	695
Brazil							684	738	913	1,185	1,429
Chile							332	360	408	417	507
Mexico	4,895	5,542	5,874	6,936	8,279	8,877	9,482	9,756	10,467	10,687	11,562
Venezuela	494	549	627	505	670	602	636	718	754	701	728
Other							4,085	3,891	4,324	4,666	4,863
Other Western Hemisphere	5,561	5,966	5,494	5,745	5,993	6,389	6,713	7,034	7,872	8,978	10,281
Bermuda							1,520	1,279	1,779	2,751	3,810
Other							5,193	5,751	6,093	6,227	6,471
Africa, Middle East, and Asia and Pacific	19,494	22,164	23,823	24,482	28,225	29,680	29,428	32,098	35,352	38,873	40,356
Africa							1,529	1,579	1,974	1,983	2,172
South Africa							199	232	295	404	473
Other							1,330	1,347	1,677	1,579	1,698
Middle East							2,081	2,201	2,259	2,680	2,963
Israel							1,023	1,076	1,189	1,170	1,399
Saudi Arabia							342	343	308	563	514
Other							713	781	760	947	1,050
Asia and Pacific							25,818	28,317	31,119	34,210	35,221
Australia	1,169	1,510	1,650	1,756	2,301	2,394	2,231	2,184	1,913	2,139	2,403
China							1,152	1,420	1,560	1,762	1,972
Hong Kong							1,439	1,355	1,896	1,939	2,545
India							667	723	800	885	1,059
Indonesia							451	440	449	453	554
Japan	6,676	7,544	8,415	8,955	10,564	11,861	10,653	11,844	12,572	13,739	13,245
Korea, Republic of							2,008	2,257	2,611	3,335	3,881
Malaysia							274	308	359	462	484
New Zealand							527	541	569	589	589
Philippines							789	857	1,038	1,128	1,298
Singapore							698	952	1,173	1,233	1,723
Taiwan							1,997	2,404	2,680	2,884	2,683
Thailand							396	384	482	704	820
Other							2,541	2,649	3,017	2,955	1,966
International organizations and unallocated	1,917	1,817	2,524	2,582	2,706	2,069	2,322	1,923	1,754	2,290	3,026
Addenda:											
European Union <sup>3</sup>	20,507	24,063	25,938	28,223	33,552	33,085	33,480	36,844	40,044	46,129	47,852
Eastern Europe <sup>4</sup>	350	483	515	594	815	1,075	1,632	1,537	1,998	2,235	2,241

1. See footnote 1, table 1.

2. Prior to 1990, this line includes data only for the Federal Republic of Germany. Beginning in 1990, this line also includes the former German Democratic Republic.

3. The European Union comprises Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, United Kingdom, Austria, Finland, and Sweden. The last three countries joined the Union on January 1, 1995. The estimates prior to

1995 do not reflect the addition of these three countries.

4. Eastern Europe comprises Albania, Armenia, Azerbaijan, Belarus, Bulgaria, Czech Republic, Estonia, Georgia, Hungary, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Poland, Romania, Russia, Slovakia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

NOTE.—The full country and area detail shown in the stub is available only since 1992.



# Methodology of the Surveys

The Bureau of Economic Analysis (BEA) collects data on U.S. international transactions in private services with unaffiliated foreigners through 11 surveys. These surveys fall into three broad categories: (1) The surveys of "selected" services, which cover mainly business, professional, and technical services; (2) the specialized surveys of services, which cover construction, engineering, architectural, and mining services, insurance services, financial services, and royalties and license fees; and (3) the surveys of transportation services.

This section presents general information about the coverage of the surveys, who reports in the surveys, the classification system used for the services, the identification of international transactions, the reporting periods of the surveys, the preparation of the survey-based estimates, and the revision of the estimates.

More specific information about each survey is presented in the three following sections: The surveys of selected services, the specialized surveys of services, and the surveys of transportation services. In each section, in-

formation is provided about the services that are covered by each survey, the criteria for reporting, the frequency with which the surveys are conducted, the number of reports that are filed, and the method of deriving estimates from the data collected. An appendix to each section includes copies of the survey forms and instructions. For a list of the surveys and the services covered by each survey, see table 3.

## Coverage

Most of BEA's services surveys attempt to reach virtually the entire population of U.S. persons (in the broad, legal sense including companies) with transactions in the covered services. However, for BEA's surveys of selected services and its surveys of financial services, a comprehensive effort to reach the entire population via benchmark, or census, surveys is made only once every 5 years in order to reduce the reporting burden in the interim years. The benchmark surveys (BE-20

**Table 3.—BEA Services Surveys by Type of Service Covered**

Number	Title	Line items from table 1
BE-20	Benchmark Survey of Selected Services Transactions With Unaffiliated Foreign Persons.	24(m), 26(m), 27(m), 28, 30, 31, 32, 33, 34(m), 35, 36, 37, 38, 39, 40, 41, 43, 44, 45, 46, 47, 48
BE-22	Annual Survey of Selected Services Transactions With Unaffiliated Foreign Persons.	24(m), 26(m), 27(m), 28, 30, 31, 33, 34(m), 35, 36, 37, 38, 41, 42, 43, 45, 46, 47, 48
BE-47	Annual Survey of Construction, Engineering, Architectural, and Mining Services Provided by U.S. Firms to Unaffiliated Foreign Persons.	34(x)
BE-48	Annual Survey of Reinsurance and Other Insurance Transactions by U.S. Insurance Companies With Foreign Persons.	26, 27
BE-80	Benchmark Survey of Financial Services Transactions Between U.S. Financial Services Providers and Unaffiliated Foreign Persons.	24
BE-82	Annual Survey of Financial Services Transactions Between U.S. Financial Services Providers and Unaffiliated Foreign Persons.	24
BE-93	Annual Survey of Royalties, License Fees, and Other Receipts and Payments for Intangible Rights Between U.S. and Unaffiliated Foreign Persons.	16, 17
BE-29	Foreign Ocean Carriers' Expenses in the United States .....	9(x)
BE-30	Ocean Freight Revenues and Foreign Expenses of United States Carriers .....	8(x), 9(m), 10
BE-36	Foreign Airline Operators' Revenues and Expenses in the United States .....	8(m), 9(x), 10(x)
BE-37	U.S. Airline Operators' Foreign Revenues and Expenses .....	6, 8(x), 9(m), 10(m)

m Imports only.  
x Exports only.

for selected services and BE-80 for financial services) are mailed to a relatively large number of potential respondents in an effort to collect complete data and to identify as many transactors as possible. The mailing lists for BEA's benchmark surveys include U.S. persons who have previously filed a report and all U.S. persons who have not previously filed but who are believed likely to have transactions in the covered services. The lists are derived from information from Government sources, industry associations, business directories, and various periodicals.

The benchmark surveys have reporting thresholds that BEA feels result in the capture of essentially the entire universe of transactions in the covered services. Respondents whose transactions fall below these reporting thresholds are exempt from reporting data by type of service, but in claiming an exemption, they must provide estimates of the aggregate value of their transactions for all covered services combined. BEA periodically reviews the data obtained from the exemption claims to determine whether these reporting thresholds are set at appropriate levels.

In the years between benchmark surveys, BEA conducts annual sample surveys (BE-22 for selected services and BE-82 for financial services), which have a higher reporting threshold than the benchmark surveys and which, in the case of the BE-22, cover a smaller number of data items. The threshold for the sample surveys is tested against the results of each benchmark survey and other available information to determine whether the threshold remains at an appropriate level to capture the bulk of the population.

To ensure that the published estimates cover the entire universe of transactions in nonbenchmark years as well as in benchmark years, BEA generally adds, to the reported data, estimates for transactions of companies exempt from filing the annual surveys and estimates for transactions in services not covered by the annual surveys. The published estimates of financial services include an estimate for transactions of companies exempt from filing the annual surveys. The published estimates of the selected services include an estimate for transactions in types of services not reported annually. For companies required to report on the benchmark surveys of selected services but whose transactions fall below the reporting threshold for the annual surveys, transactions have tended to be small and fairly evenly divided between exports and imports, and no estimates have been included for them; however, data for these companies are reexamined after each benchmark survey to determine if estimates should be introduced.

### *The reporters*

The reporters are U.S. persons—mainly companies—that engage in transactions with unaffiliated foreign residents on their own behalf or on behalf of others and who meet the criteria for reporting in each survey.<sup>1</sup>

In most cases, the U.S. parties to the transactions report. In a few cases, however, U.S. agents or intermediaries may report the transactions of their U.S. or foreign clients. When a transaction between a U.S. person and an unaffiliated foreign person is facilitated by an intermediary, who a sale is to, or who a purchase is from, is determined on the basis of who the U.S. person considers itself to have a claim on for payment, in the case of a sale, or who it has a liability to, in the case of a purchase. If the U.S. person has a claim on, or a liability to, the unaffiliated foreign person or an intermediary that is itself an unaffiliated foreign person, the transaction must be reported by the U.S. person. If the U.S. person has a claim on, or a liability to, an intermediary that is another U.S. person, the transaction is not reportable, because it is not an international transaction; however, in such a case, the U.S. intermediary must report the transaction with the foreign person.

### *Classification of services*

The classification of services is mainly based on broad "standard components" for services that are recommended in the International Monetary Fund's *Balance of Payments Manual*.<sup>2</sup> Many of the categories in the surveys also correspond to the categories in a classification system for trade in services that has been developed jointly by the Organisation for Economic Co-operation and Development (OECD) and Eurostat, the statistical office of the European Union. This system includes all of the *Manual's* standard components for services, with further breakdowns within some components. Finally, the definitions for some categories were adapted from the International Surveys Industry (ISI) classifications developed by BEA.<sup>3</sup>

When a sale or purchase consists of both goods and services or of several services that cannot be unbundled

1. Transactions with affiliated foreigners are covered by BEA's direct investment surveys.

2. International Monetary Fund, *Balance of Payments Manual*, 5th edition (Washington, DC: International Monetary Fund, 1993): 37–50.

3. Bureau of Economic Analysis, *Guide to Industry and Foreign Trade Classifications for International Surveys* (Washington, DC: Bureau of Economic Analysis, 1987). The ISI classifications that are currently used were adapted from the 1987 Standard Industrial Classification (SIC). Over the next few years, revised ISI classifications based on the new North American Industrial Classification System will replace the SIC-based classifications in BEA's survey work.



(that is, the goods or services are not separately valued), it is classified either on the basis of which part of the transaction accounts for most of the value or on the basis of the reporter's customary practice. While this procedure results in the omission of some transactions and an overstatement of others, the biases are offsetting so that at the aggregate level, the estimates probably are relatively unbiased. These bundled transactions are not separately identified, and it is not possible to adjust the data for either services or goods to correct for any bias that may remain.

### ***Definitions of international transactions***

The definitions that underlie the transactions in private services covered by BEA's surveys are the same as those underlying the balance of payments accounts.<sup>4</sup>

An international transaction is a transaction between a resident and a nonresident, or "foreigner." Thus, a U.S. international transaction is a transaction between a U.S. person and a foreign person.<sup>5</sup>

Affiliates of multinational companies are regarded as residents of the countries where they are located rather than of the countries of their owners. Thus, sales abroad by foreign affiliates of U.S. companies are transactions between foreign persons, and sales in the United States by U.S. affiliates of foreign companies are transactions between U.S. persons. Neither type of sale is a U.S. international transaction.<sup>6</sup>

In most cases, a transaction clearly is, or is not, an international transaction. However, in some cases in which the seller provides the service in the country of the purchaser, questions may arise as to whether the transaction should be regarded as an international transaction or as a local sale by a foreign affiliate.

If the company's operation in the country of the purchaser is incorporated in that country, then it is regarded as an affiliate. However, if the operation is unincorporated, BEA uses several criteria to determine if the operation should be regarded as that of an affiliate. In the following list of criteria, the example used is that of the foreign op-

eration of a U.S. company, but the criteria are analogous for the U.S. operation of a foreign company.

- In general, an unincorporated foreign operation of a U.S. company *is* considered to be a foreign affiliate if the operation (1) pays foreign income taxes; (2) has a substantial physical presence abroad (for example, plant and equipment or employees); (3) maintains financial records so that it can prepare its own financial statements, including an income statement and balance sheet (not just a record of disbursements and receipts); (4) takes title to the goods it sells and receives the revenues from its sales; or (5) receives funds for its own account from customers for the services it performs.
- An unincorporated foreign operation of a U.S. company is generally *not* considered to be a foreign affiliate if the operation (1) pays no foreign income taxes; (2) has limited physical assets or employees permanently located abroad; (3) has no financial statements; (4) conducts business abroad only for the U.S. company's account and not for its own account (for example, sales promotion or public relations activities); and (5) receives funds to cover its expenses only from the U.S. person. In such cases the operations are considered those of the U.S. company, and its sales within the country are recorded in the U.S. international transactions accounts as exports to that country.

### ***Reporting periods***

For all the surveys except the four transportation surveys, the reporting period used is the fiscal year of the reporter. In most cases, the reporter's fiscal year coincides with the calendar year, so that the published statistical aggregates track calendar year activity fairly closely. Using the fiscal year rather than the calendar year is intended to ease the burden on reporters that use fiscal year accounting records in completing their reports.

The fiscal year of the reporter is the reporter's financial-reporting year that ends in the calendar year covered by the survey. For example, if the reporter's financial-reporting year was from October 1, 1996 to September 30, 1997, all the transactions in that period are reported as transactions in 1997. All reports must be filed by March 31st of the next year—March 31, 1998, in the example.

The calendar year is the reporting period used for two of the surveys of transportation services, and the calendar quarter is the reporting period for the other two. The report for a calendar year must be filed within 90 days after the end of the year. The report for a calendar quarter must be filed within 50 days after the end of the quarter.

4. For detailed information about the methodology used for the accounts, see *The Balance of Payments of the United States: Concepts, Data Sources, and Estimating Procedures* (Washington, DC: U.S. Government Printing Office, 1990). Changes in methodology that have been made since that publication are published in annual articles in the SURVEY—in the June issue for 1990–95 and in the July issue thereafter. For example, see "U.S. International Transactions: Revised Estimates for 1974–96" SURVEY 77 (July 1997): 43–55.

5. A U.S. person resides in, or is subject to the jurisdiction of, the United States. A foreign person resides outside the United States or is subject to the jurisdiction of another country.

6. Sales by affiliates represent another important channel for the international delivery of services. BEA collects data on these transactions in its direct investment surveys and publishes the estimates in the annual article on U.S. international sales and purchases of private services in the SURVEY.

### *The preliminary and revised estimates*

BEA's *preliminary* estimates are usually released in the year (or quarter) following the period covered by the survey. The *first revisions* are released in the following year (or quarter), and additional revisions may be made in subsequent periods. In some cases, when new survey data become available, the estimates for periods preceding the period covered by the survey are also revised.

The principal difference between the preliminary published estimates and the revised published estimates is the size of the estimate included for transactions that had not been reported when the estimates were prepared but that, based on the previous year's transactions, are believed likely to have been above the exemption level. The estimate for missing reports, which ensures that the published estimates are as complete as possible, is largest for the preliminary estimates. In the first revision—as well as in any subsequent revisions—of the published estimates, the estimate for missing reports is largely replaced by reported transactions, as reports received after the preliminary estimates were prepared are incorporated; however, even the revised estimates generally include some estimate for missing reports.

### *Preparing the estimates*

Before the estimates are prepared, the data reported in the surveys have to pass a number of edit checks. When possible, the data for a reporter are reviewed for consistency with related data from other parts of the report, with data from related reports, with comparable data reported by other reporters, and with related data from other sources.

For some services, the data obtained from BEA's surveys are combined with information from other Government agencies; for example, as described in the section on the surveys of transportation services, the preparation of some of the estimates of transportation services use information, such as the volume of goods shipped to or from the United States, from the U.S. Bureau of the Census.

For all services except those covered by the transportation surveys, two similar, general procedures are used to prepare the annual estimates: One is used when the estimate is derived from the results of a BEA survey that attempts to reach virtually the entire universe of transactions in the covered services—the two benchmark surveys and all the annual surveys except the two annual sample

surveys; the other procedure is used when the estimate is derived from the results of one of BEA's annual sample surveys of selected services and financial services.

Estimates derived from the results of a BEA survey that attempts to reach virtually the entire universe of transactions in the covered services are calculated as the sum of the following: (1) The transactions reported for the service on the survey and (2) the estimate for missing reports.

Estimates derived from the results of one of BEA's annual sample surveys are calculated as the sum of the following: (1) The transactions reported for the service on the survey, (2) the estimate for missing reports, and (3) the estimate for transactions that are reported on the benchmark survey but not on the annual survey.

The estimate for missing reports is extrapolated from the delinquent reporters' transactions in the previous year on the basis of the growth rate for reported transactions classified in the same service and geographic area, and adjustments are made for outliers or unusual transactions.

The estimate for transactions that are reported only on the benchmark survey covers—in the case of the selected services survey—transactions in the types of services that are not reported on the annual survey. (As mentioned earlier, no estimate has yet been made for transactions that fall below the reporting threshold for the annual survey.) The estimate is extrapolated from the transactions for the prior year (extrapolated or reported) on the basis of the growth rate for transactions in similar types of services. In the case of the survey of financial services, the estimate covers transactions that fall below the reporting threshold for the annual survey. The estimate is based upon the exempt reporter's total services transactions reported on the exemption form and is allocated by type of service based on the distribution observed in the most recent benchmark survey. For both the selected services survey and the survey of financial services, adjustments are made for outliers or unusual transactions.

For services covered by the four surveys of transportation services, the procedures used to prepare the annual estimates vary (see "Preparing the estimates" in the section "The Surveys of Transportation Services"). The preliminary quarterly estimates of most services for which only annual survey coverage is available are derived from the annual estimates by extrapolation; the revised quarterly estimates are derived from the annual estimates by interpolation.



## Surveys of Selected Services

The Bureau of Economic Analysis (BEA) conducts two surveys of transactions in selected services: The Benchmark Survey of Selected Services Transactions With Unaffiliated Foreign Persons (BE-20) and the Annual Survey of Selected Services Transactions With Unaffiliated Foreign Persons (BE-22).

The two surveys mainly cover business, professional, and technical services. As of the date of this publication, the benchmark survey collects data on transactions in 32 categories of services, and the annual survey collects data on transactions in 28 categories of services. Data for some services collected in the benchmark survey are more detailed than those collected in the annual survey.

Some of the services categories in both the benchmark survey and the annual survey cover only sales or only purchases, generally because the purchases or the sales are covered in other surveys.

The benchmark survey is conducted once every 5 years. The first three surveys covered transactions in 1986, 1991, and 1996, respectively; the next survey will cover transactions in 2001. The annual surveys for nonbenchmark years have been conducted since 1987.

All U.S. persons whose total transactions—in either sales or purchases—in any of the covered services exceed \$500,000 during the relevant fiscal year are required to report data by type of service in the benchmark survey. All U.S. persons whose total sales or purchases of any of the covered services exceed \$1 million in the relevant fiscal year are required to report data by type of service in the annual surveys.<sup>1</sup>

U.S. persons meeting these criteria must supply data on the amount of their total sales or total purchases of each type of service in which their transactions exceeded the threshold amount. Except for sales of merchandising services, the data must also be disaggregated by country.

U.S. persons whose total transactions in each type of service are at or below the threshold are requested to

voluntarily provide an estimate, not disaggregated by country, for each type of service. If they choose not to provide estimates by type of service, they must—in claiming an exemption—provide estimates of their total sales and total purchases for all covered services combined.

The 1996 benchmark survey was sent to 6,505 U.S. persons.<sup>2</sup> When the preliminary 1996 estimates were prepared, 2,522 had submitted usable reports, 2,946 had claimed exemption, 413 were determined to no longer exist, and the remainder were delinquent or submitted unusable reports. The 1995 annual survey was sent to 4,324 U.S. persons. When the first revision of the 1995 estimates was prepared, 1,560 had submitted usable reports, 2,180 had claimed exemption, 284 were determined to no longer exist, and the remainder were delinquent.

In the first revision of the benchmark-survey-based estimates for all the covered services combined, reported transactions usually account for over 95 percent of both receipts and payments. The estimate for missing reports is the remainder.

In the first revision of the annual-survey-based estimates, reported transactions usually account for about 90 percent of receipts and 95 percent of payments. The estimates for missing reports and for transactions reported only on the benchmark survey account for the remainder.

### *Services covered*

**Agricultural services** consist of soil preparation services, crop services, veterinary and other animal services, farm labor and management services, and landscape and horticultural services. These services are reported only in the benchmark survey.

**Research, development, and testing services** consist of laboratory and other physical research, product development services, and product testing services. These services include experiments and research and development activities aboard spacecrafts; they exclude medical and dental laboratory services.

1. This criterion for reporting was first adopted for the 1991 benchmark survey. For the 1986 benchmark survey and the annual surveys for 1987–90, the criteria for reporting status was based on the amount of *each* transaction in a given type of service, and the exemption level was \$250,000 per transaction. The present criterion that is based on the total transactions in a given type of service was adopted in order to improve the coverage of services for which individual transactions may be small (less than \$250,000) but for which the total transactions may be significant.

2. The surveys are sent to U.S. persons who have previously filed a report and to U.S. persons who have not previously filed but who are believed likely to have transactions in the covered services. The mailing list is derived from information from Government sources, industry associations, business directories, and various periodicals.

**Management, consulting, and public relations services** consist of the following services: All management services except the management of health care facilities (which is reported separately in the benchmark survey), consulting services except computer consulting services and engineering consulting services for actual or proposed construction and mining projects, and public relations services except those that are a part of an advertising campaign.<sup>3</sup> See also **Computer and data-processing services, Construction, engineering, architectural, and mining services, and Advertising services.**

**Management of health care facilities** consists of the management of hospitals, nursing homes, and other health care facilities. However, if operating staff (such as doctors and nurses) is also provided, these activities are usually only reported in BEA's direct investment surveys. This service is reported only in the benchmark surveys.

**Accounting, auditing, and bookkeeping services** consist of accounting, bookkeeping, and related auditing services. Data-processing and tabulating services are included in **Computer and data-processing services.**

**Legal services** consist of legal advice and other legal services, including the fees paid by insurance companies as compensation for claims adjustment services.

**Educational and training services** consist of educational and training services provided on a contract or fee basis. These services exclude training services provided by a manufacturer in connection with the sale of a good (which are included in **Industrial-type maintenance, installation, alteration, and training services**) and tuition and fees paid by individual students to educational institutions.

**Mailing, reproduction, and commercial art services** consist of the following: Direct-mail advertising services; mailing services, such as remailing services in direct-mail advertising; commercial photography, art, and graphic services; address list compilation; and stenographic services. These services are only reported in the benchmark surveys.

**Employment agencies and temporary help supply services** consist of employment services and the provision of temporary help and personnel to perform services on a contract or fee basis. The transactions consist of the fees paid for these services and include the compensation of workers on the payroll of the agency. These services are only reported in the benchmark surveys.

**Industrial engineering services** consist of engineering services related to the design of movable products.

For engineering and architectural services related to immovable products, see **Construction, engineering, architectural, and mining services.** For computer systems engineering, see **Computer and data-processing services.**

**Industrial-type maintenance, installation, alteration, and training services** consist of maintenance services for machinery and equipment, including such activities as the periodic overhaul of turbines and locomotives, the extinguishing of natural gas well fires, and the maintenance of refineries; small maintenance work on structures, such as buildings, dams, and highways; and installation and training services that are provided by a manufacturer in connection with the sale of goods when the price of these services is not incorporated into the price of the goods that is entered on the declaration filed with the U.S. Customs Service. Before 1996, this category also included minor repair services; these services were removed in 1996, primarily to avoid duplication with other data sources.

See also **Construction, engineering, architectural, and mining services** and **Educational and training services.**

**Performing arts, sports, and other live performances, presentations, and events** are events, such as concerts, operas, ballets, and professional baseball, basketball, and soccer games. The transactions consist of the fees for these events that are reported by management companies, booking agents, promoters, and presenters who receive or pay the fees and the fees that are reported by U.S. performers—such as entertainers, orchestras, ballet companies, and teams—if they receive the fees directly from the foreign person rather than through a management company. These fees are net of allowances for expenses.

**Sale or purchase of rights to natural resources and lease bonus payments** consist of the sales of the rights to natural resources except surface land in the United States and abroad and the acquisitions of these rights. The transactions consist of the receipts from the sales of the rights, the payments for the acquisitions of these rights, and the payments of lease bonuses.<sup>4</sup>

**Use or lease of rights to natural resources, excluding lease bonus payments** are the receipts and the payments for the use or the lease of the rights to natural resources except surface land in the United States and abroad and include royalties for oil and mining production.

**Miscellaneous disbursements or outlays** are disbursements or outlays that are not classified elsewhere and that fund activities abroad by U.S. persons and activ-

3. U.S. sales of engineering consulting services are included in the survey of construction, engineering, architectural, and mining services; see the section "Specialized Surveys of Services."

4. These transactions are capital, rather than services, transactions. They are collected in this survey as an expedient.



ities in the United States by foreign persons. These transactions include disbursements or outlays to fund news-gathering costs of broadcasters and the print media; production costs of motion picture companies and companies engaged in the production of broadcast program material other than news; commissions and "finder's fees" to independent agents (added in 1996); and the costs of maintaining tourism, business promotion, and representative offices. These transactions also include disbursements by U.S. persons to participate in foreign trade shows.

**Premiums paid on purchases of primary insurance** consist of the premiums (net of cancellations) paid by U.S. persons to unaffiliated foreign insurance carriers for primary insurance. The insured assets may be located in the United States or abroad.<sup>5</sup>

**Losses recovered on purchases of primary insurance** consist of the losses recovered on primary insurance purchased by U.S. persons from unaffiliated foreign insurance carriers.<sup>6</sup>

**Construction, engineering, architectural, and mining services** consist of U.S. purchases of the following services:<sup>7</sup> The construction of buildings and of projects, such as highways, bridges and tunnels, docks and piers, pipelines, and communication and power lines; specialized construction activities, such as the erection of structural steel for bridges and buildings and on-site plumbing, painting, electrical work, masonry, and carpentry; engineering services for construction and mining projects; architectural services; land-surveying services; and mining services, including oil and gas field services. These services include work on proposed projects, such as feasibility studies.

For engineering services that relate to the design of movable products, see **Industrial engineering**. For computer systems engineering, see **Computer and data-processing services**.

**Merchandising services**—which were introduced in the benchmark survey for 1996—consist of buying goods (such as crude oil, grain, and other commodities) abroad and reselling them to unaffiliated foreign persons. The goods do not undergo significant processing between the time they are purchased and the time they are sold. The transaction is reported as the difference between the cost of the goods and the resale price of the goods. As of

the date of this publication, estimates for these services have not yet been published (and thus are not shown in table 1).

**Financial services** consist of purchases of credit-related services and other financial services by nonfinancial U.S. firms.<sup>8</sup> The surveys collect data on U.S. payments for three categories of financial services: (1) Credit-related services, (2) securities transactions, and (3) other financial services.

**Advertising services** consist of preparing and placing advertising in media. Transactions in these services include both agency fees and charges for media space and time. They exclude transactions with U.S. affiliates of foreign clients or of foreign advertising agencies and transactions that are with foreign persons and that are effected by foreign affiliates of U.S. advertising agencies.

The benchmark survey collects the following detail for U.S. sales of advertising services: (1) Gross billings to unaffiliated foreign clients, (2) gross income received from unaffiliated foreign clients, and (3) direct sales (that is, sales that are not arranged by an ad agency) to unaffiliated foreign persons by media companies. The data for gross billings are added to the data for direct sales to derive the estimates for the receipts that are included in the international transactions accounts. In the annual survey, data are only collected on the total of these two items. (The gross income item provides supplemental information on the activities of advertising agencies.)

**Computer and data-processing services** consist of the following five categories of services: (1) Data entry, batch and remote processing, and tabulation; (2) computer systems analysis, design, engineering, and custom programming; (3) integrated hardware and software systems; and (4) other computer services, such as timesharing, maintenance, and repair.<sup>9</sup>

In the benchmark survey, data are collected on U.S. receipts for each category. In the annual survey, data are collected only on total receipts for the four categories combined.

The value of prepackaged general-use software that is shipped to or from the United States is excluded, because this software is reported on customs documents as trade in goods.

5. Sales of primary insurance and sales and purchases of reinsurance between U.S. persons and affiliated and unaffiliated foreign insurance companies are reported in the annual survey of reinsurance and other insurance transactions; see the section "Specialized Surveys of Services."

6. The losses incurred on insurance sold to foreign persons by U.S. insurance carriers are reported in the annual survey of reinsurance and other insurance transactions.

7. Sales of these services are reported in the survey of construction, engineering, architectural, and mining services.

8. The purchases and sales, or receipts, of U.S. firms that are providers of financial services are reported in the surveys of financial services; see the section "Specialized Surveys of Services."

9. This list reflects the annual survey as of 1997. In the annual surveys before 1997, computer and data-processing services included royalties and license fees for general-use computer software. In the surveys for 1997 and subsequent years, these transactions will be reported on BEA's survey of royalties and license fees rather than in the annual survey of selected services. This change will also be made to the benchmark survey for 2001.

Before 1996, these services included the operational leasing of computer and data-processing equipment. Beginning with the 1996 benchmark survey, this service is included in the newly introduced category of **operational-leasing services**.

**Database and other information services** consist of the following four categories of services: (1) Business and economic database services, including business news, stock quotations, and financial information services; (2) medical, legal, technical, demographic, bibliographic database services and other, similar database services; (3) general news services, such as those purchased from a news syndicate; and (4) other information services, including reservation systems and credit-reporting systems. Transactions for the use of airline reservation systems also include the booking fees from foreign carriers for direct access, or for access through a travel agent, to a reservation system.

In the benchmark survey, data are collected on U.S. receipts for each category. In the annual survey, data are collected only on total receipts for the four categories combined.

**Telecommunications services** consist of the following five categories of services: (1) Message telephone services provided by communications common carriers; (2) private, leased channel services; (3) telex and telegram services and other jointly provided basic services; (4) value-added, or enhanced services, such as electronic mail, voice mail, code and protocol processing, management of data networks, facsimile services, and videoconferencing services; and (5) support services, such as the maintenance and repair of telecommunications equipment, ground station services, capacity leasing

for transiting, and the launching of communications satellites.

In the benchmark survey, data are collected on U.S. receipts for each category. In the annual survey, data are collected only on total receipts for the five categories combined.

**Operational-leasing services**—which were introduced in the benchmark survey for 1996—consist of the following services: (1) Rentals of computer and data-processing equipment; (2) the leasing of transportation equipment, such as ships, aircraft, railway cars, containers, rigs, and automobile fleets without crew or operators;<sup>10</sup> and (3) the leasing of all other machinery and equipment. Receipts and payments under leases that have been capitalized (capital leases) are excluded. As of the date of this publication, estimates for these services have not yet been published (and thus are not shown in table 1).

In the benchmark survey, data are collected on U.S. receipts for each category. In the annual survey, data are collected only on total receipts for the three categories combined.

**Other private services** consist of language translation services, security services, collection services, actuarial services, salvage services, satellite photography, and cleanup services for oil spills and toxic waste sites. These services have been included since the 1996 benchmark survey.

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10. The leasing of transportation equipment is also covered by BEA's transportation surveys. As of the publication date of this guide, BEA was reviewing the information on leasing of transportation equipment reported on all of these surveys in order to develop guidelines to eliminate the duplication.

## **APPENDIX**

Benchmark Survey of Selected Services Transactions  
With Unaffiliated Foreign Persons (BE-20)

Annual Survey of Selected Services Transactions  
With Unaffiliated Foreign Persons (BE-22)





FORM **BE-20** U.S. DEPARTMENT OF COMMERCE  
(10-24-96) BUREAU OF ECONOMIC ANALYSIS**BENCHMARK SURVEY  
OF SELECTED SERVICES  
TRANSACTIONS  
WITH UNAFFILIATED  
FOREIGN PERSONS  
1996****MAIL  
REPORTS  
TO**U.S. Department of Commerce  
Bureau of Economic Analysis  
BE-50(SSB)  
Washington, DC 20230

OR

**DELIVER  
REPORTS  
TO**U.S. Department of Commerce  
Bureau of Economic Analysis  
BE-50(SSB)  
Shipping and Receiving Section M-100  
1441 L Street, NW  
Washington, DC 20005**BEA USE ONLY**

Control number

**11**

Public reporting burden for this collection of information is estimated to vary from 4 to 500 hours per response, with an average of 12 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate, including suggestions for reducing this burden, to Director, Bureau of Economic Analysis (BE-1), U.S. Department of Commerce, Washington, DC 20230; and to the Office of Management and Budget, Paperwork Reduction Project 0608-0058, Washington, DC 20503.

**Part I NAME AND ADDRESS, CERTIFICATION, AND DETERMINATION OF REPORTING STATUS****Section A — Name and address**

Name and principal address of U.S. Reporter — Enter or correct as necessary.

**BEA USE ONLY**

10005

1

2

3

4

**NOTE** — A single original copy of this report must be filed with the Bureau of Economic Analysis (BEA); please use the copy with the address label if such a labeled copy has been provided.**Important**Read **General Instructions**, which contain definitions, before completing form.**Data to be provided in this report should represent the U.S. Reporter's 1996 fiscal year.****A. REPORTING REQUIREMENTS** — See I.A. of the **General Instructions** for who must report and transactions to be reported.**B. HOW TO REPORT** — This form contains two Parts and eight Schedules, A-H. Part I (Name and Address, Certification, and Determination of Reporting Status) requests information needed to determine whether a report is required and which schedules apply. This Part should be completed by all U.S. persons who receive the survey, including those who are filing pursuant to the mandatory reporting requirement of the survey, those who are reporting data on a voluntary basis, and those who are claiming exemption from reporting any data. Part II (Identification of U.S. Reporter) requests information about the reporting entity, and should be completed only by U.S. persons subject to the survey's mandatory reporting requirement or who are reporting data on a voluntary basis. Each of the Schedules A-H covers one or more specified services and is to be completed only if a U.S. Reporter has transactions of the type(s) covered by the individual schedule. On a given schedule, Reporters subject to the survey's mandatory reporting requirement should complete Section A. Reporters who are reporting data on a voluntary basis (see I.A.2. of the General Instructions) are requested to complete Section B of the applicable schedule(s).

The Exemption Claim is on page 3. A U.S. person who receives this report from BEA and who does not meet the criteria for mandatory reporting, and elects not to report data in the voluntary section of any schedule, must nevertheless complete and submit the Exemption Claim.

Most respondents who are subject to the survey's mandatory reporting requirements, or who elect to report data voluntarily, will report data on Schedules A, B, and/or C; these schedules are included in every packet mailed to every potential respondent. In contrast, Schedules D through H are applicable only to a limited number of potential survey respondents; these schedules are included only in the packets mailed to respondents who BEA has identified as being most likely to have engaged in the service covered by a particular schedule. (For example, Schedule D covers U.S. sales of advertising services, and U.S. advertising agencies and media companies are the primary recipients of this schedule.)

**If you are subject to the mandatory reporting requirements of a given schedule (or if you choose to report data voluntarily on a schedule) but did not receive a copy of that schedule in your mailing packet, please contact BEA at the telephone or fax number given in D., below.****C. OPTIONAL CHECKLIST** — For the convenience of Reporters, an "Optional Checklist" (Supplement A) has been provided with this survey to help companies determine, without a records search, whether or not the "parts" or units of their company had reportable transactions, either sales or purchases, with unaffiliated foreign persons in FY 1996. This "Optional Checklist" is for internal use by companies only and should not be returned to BEA.**D. ASSISTANCE** — Telephone (202) 606-5588 during office hours — 8:00 a.m. to 4:00 p.m. eastern time, or fax your request to (202) 606-5318.**E. DUE DATE** — A completed report on Form BE-20 is due no later than March 31, 1997.**F. GENERAL NOTES**1. Currency amounts should be reported in U.S. dollars rounded to thousands (omitting 000).  
**EXAMPLE** — If amount is **\$1,334,615.00**, report as

Bil.	Mil.	Thous.
	1,335	

2. If an item is between + or - \$500.00, enter "0."

**AUTHORITY** — This survey is being conducted pursuant to the International Investment and Trade in Services Survey Act (P.L. 94-472, 90 Stat. 2059, 22 U.S.C. 3101-3108, as amended by P.L. 98-573 and P.L. 101-533 — hereinafter "the Act"), and the filing of reports is mandatory pursuant to Section 3104 of the Act.**CONFIDENTIALITY** — The Act provides that your report to this Bureau is CONFIDENTIAL. It may be used only for analytical or statistical purposes and CANNOT be used for purposes of taxation, investigation, or regulation. The Act also provides that copies retained in your files are immune from legal process.**PENALTIES** — Whoever fails to report may be subject to a civil penalty of not less than \$2,500, and not more than \$25,000, and to injunctive relief commanding such person to comply, or both. Whoever willfully fails to report shall be fined not more than \$10,000 and, if an individual, may be imprisoned for not more than one year, or both. Any officer, director, employee, or agent of any corporation who knowingly participates in such violations, upon conviction, may be punished by a like fine, imprisonment, or both. (See Section 3105 of the Act.) Notwithstanding the above, a U.S. person is not subject to any penalty for failure to report if a valid Office of Management and Budget (OMB) control number is not displayed on the form; such a number (0608-0058) is displayed on this form.**PERSON TO CONSULT CONCERNING QUESTIONS ABOUT THIS REPORT — Enter name and address****CERTIFICATION** — The undersigned official certifies that this report has been prepared in accordance with the applicable instructions, is complete, and is substantially accurate except that, in accordance with V.I.F. of the **General Instructions**, estimates have been provided where data are not available from customary accounting records or precise data could not be obtained without undue burden.

Authorized official's signature

Print or type name and title

Date

TELEPHONE NUMBER

Area code

Number

Extension



**Section B — Determination of reporting status (Mandatory reporting)**

Separately for sales (receipts) and purchases (payments), mark (X) "Yes" or "No" beside each type of service listed below to indicate whether your company's total transactions with unaffiliated foreign persons exceeded \$500,000. See VII. of the **General Instructions** for a detailed description of each type of service.

If "Yes" is marked for any type of service, for either sales or purchases, complete and return to BEA, Part I (Sections A and B) and Part II of this form, and the appropriate schedule(s).

The U.S. Reporter may rely on the "Optional Checklist" provided in Supplement A to complete this item.

If "No" is marked for all activities, for both sales and purchases, complete and return to BEA, Part I (Sections A, B, and either Section C or the exemption claim), and appropriate schedule(s).

Type of service	SALES (RECEIPTS)			PURCHASES (PAYMENTS)		
	Had total transactions exceeding \$500,000?		If "Yes" Report data on —	Had total transactions exceeding \$500,000?		If "Yes" Report data on —
	Yes	No		Yes	No	
1. Agricultural services			Schedule A			Schedule B
2. Research, development, and testing services			Schedule A			Schedule B
3. Management, consulting, and public relations services			Schedule A			Schedule B
4. Management of health care facilities			Schedule A			Schedule B
5. Accounting, auditing, and bookkeeping services			Schedule A			Schedule B
6. Legal services			Schedule A			Schedule B
7. Educational and training services			Schedule A			Schedule B
8. Mailing, reproduction, and commercial art			Schedule A			Schedule B
9. Employment agencies and temporary help supply services			Schedule A			Schedule B
10. Industrial engineering services			Schedule A			Schedule B
11. Industrial-type maintenance, installation, alteration, and training services			Schedule A			Schedule B
12. Performing arts, sports, and other live performances, presentations, and events			Schedule A			Schedule B
13. Sale or purchase of rights to natural resources, and lease bonus payments			Schedule A			Schedule B
14. Use or lease of rights to natural resources, excluding lease bonus payments			Schedule A			Schedule B
15. Disbursements to fund news-gathering costs of broadcasters			Schedule A			Schedule B
16. Disbursements to fund news-gathering costs of print media			Schedule A			Schedule B
17. Disbursements to fund production costs of motion pictures			Schedule A			Schedule B
18. Disbursements to fund production costs of broadcast program material other than news			Schedule A			Schedule B
19. Disbursements to maintain government tourism and business promotion offices			Schedule A			Schedule B
20. Disbursements for sales promotion and representation			Schedule A			Schedule B
21. Disbursements to participate in foreign trade shows			Not reportable			Schedule B
22. Premiums paid on purchases of primary insurance			Not reportable			Schedule B
23. Losses recovered on purchases of primary insurance			Not reportable			Schedule B
24. Construction, engineering, architectural, and mining services			Not reportable			Schedule B
25. Merchanting services			Schedule A			Not reportable
26. Financial services			Not reportable			Schedule C
27. Advertising services			Schedule D			Schedule B
28. Computer and data processing services			Schedule E			Schedule B
29. Data base and other information services			Schedule E			Schedule B
30. Telecommunications services			Schedule G, Part I			Schedule G, Part II
31. Operational leasing services			Schedule H			Schedule B
32. Other private services*			Schedule A			Schedule B

\*Other private services (i.e., service number 32) consist of language translation services, security services, collection services, actuarial services, salvage services, satellite photography services, and toxic waste cleanup services.

**Section C — Determination of reporting status (Voluntary reporting)**

For sales and purchases separately, if a U.S. person's total transactions in a given type of service listed in Part I, Section B, of this form are \$500,000 or less, the U.S. person may voluntarily report the total for each type of service, not distributed by individual foreign country, on line 32, Section B, of the appropriate schedules. These estimates may be judgmental, that is, not based on a search of accounting records but instead on the recollection of knowledgeable persons within the company who are in a position to know whether any significant transactions in the particular service(s) were engaged in during the year and, if so, the approximate total amount(s) of such transactions. Information provided on these transactions will make the survey results more complete and will better ensure that all types of services are adequately represented in any negotiations or other policy initiatives supported by the survey data.

Mark (X) one

- ☐ 1 The U.S. Reporter is reporting some data voluntarily on line 32, Section B of the appropriate schedule(s).
- ☐ 2 The U.S. Reporter is not reporting in the voluntary part of the survey.

The U.S. Reporter is not reporting data on any schedule of this form because it — *Mark (X) appropriate box.*

- | Specify parent corporation         |       |          |
|------------------------------------|-------|----------|
| Name                               |       |          |
| Address — <i>Number and street</i> |       |          |
| City                               | State | ZIP Code |

**D** ☐ Had transactions, either sales or purchases, of the types covered but the value of each type did not exceed \$500,000 and the U.S. Reporter does not wish to report the data voluntarily. The total amount of these transactions, for all services combined, was approximately \_\_\_\_\_

Report in thousands of U.S. dollars			
10001	Sales	10002	Purchases
\$		\$	

## Part II IDENTIFICATION OF U.S. REPORTER

1. Annual report for fiscal year ending \_\_\_\_\_

11001

Month	Day	Year
1		9 6

**2. Industry classification** - Enter 3-digit code from the Summary of Industry Classifications. \_\_\_\_\_

11002

1		
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**3. Major activity of the U.S. Reporter and product or service involved in that activity** \_\_\_\_\_

**4. Primary Employer Identification (EI) Number used by the U.S. Reporter to file U.S. income or payroll taxes** \_\_\_\_\_

11003

1		—							
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## GENERAL INSTRUCTIONS

**Purpose** – The Benchmark Survey of Selected Services Transactions with Unaffiliated Foreign Persons – 1996 is conducted by the Department of Commerce to obtain data on the size and economic significance of these transactions. The prior benchmark survey was conducted for 1991. The information will be used to help support trade negotiations, formulate U.S. policy, and analyze the impact of that policy and the policies of foreign countries, on international trade in services. The data will also be used in compiling the U.S. balance of payments and national income and product accounts.

### I. WHO IS TO REPORT AND GENERAL COVERAGE

#### A. Who is to report and transactions to be reported

1. **Mandatory reporting** – A BE-20 report is **required** from each U.S. person who had transactions (either sales or purchases) in excess of \$500,000 with unaffiliated foreign persons in any of the services listed in VII. of these General Instructions during the U.S. person's 1996 fiscal year.

The determination of whether a U.S. person is subject to this mandatory reporting requirement may be judgmental, that is, based on the judgement of knowledgeable persons in a company who can identify reportable transactions on a recall basis, with a reasonable degree of certainty without conducting a detailed manual records search. The "Optional Checklist" (Supplement A) described in IV. of these General Instructions may be used to facilitate data collection from the various parts of the reporter's organization.

Reporters who must file pursuant to this mandatory reporting requirement must complete Parts I and II of the form and all applicable schedules. The total amounts of transactions applicable to a particular schedule are to be entered in the appropriate column(s) on line 1 of the schedule. In addition, these amounts must be distributed below line 1 to the country(ies) involved in the transaction(s).

2. **Voluntary reporting** – If, during the U.S. person's fiscal year, the U.S. person's total transactions (either sales or purchases) in any of the types of services listed in VII. of these General Instructions are \$500,000 or less, the U.S. person is requested to provide an estimate of the total for each type of service. Provision of this information is voluntary. The estimates may be judgmental, that is, based on recall, without conducting a detailed manual records search.

The total amounts of transactions applicable to a particular schedule are to be entered in the appropriate column(s) on line 32 of the schedule. (If information on the countries of the transactions is available, the transactions may instead be reported by country in the mandatory section; however, disaggregation by country is not required.) Reporters who elect to file pursuant to the voluntary reporting option must complete Parts I and II of the form.

3. **Exemption** – A U.S. person receiving this form from BEA who is not required to report data in the mandatory section of any schedule, and who elects not to report data in the voluntary section of any schedule, must complete the "Person to Consult" and certification sections on page 1 and the exemption claim on page 3 of the form.

#### B. BE-20 definition of sales (receipts) or purchases (payments)

It should be noted that an item other than sales or purchases may be used as the measure of a given service for purposes of determining whether the threshold for mandatory reporting of the service is exceeded. Note that in several cases – advertising; telecommunications; performing arts, etc.; merchandising; miscellaneous disbursements (services numbered 15–21 in VII. of these General Instructions); and rights to natural resources (services numbered 13 and 14) – measures other than, or in addition to, sales or purchases of services should be used. See VII. of these General Instructions for an explanation of what measure should be applied in determining whether you are subject to the BE-20 survey's mandatory reporting requirements for a given service.

#### C. Clarification of coverage and special situations

1. **Reporting period** – The reporting period is the U.S. Reporter's 1996 fiscal year (see definition in II.M. below).

2. **Date of recording transactions** – Except for telecommunications services, transactions are to be reported on an accrual basis. Telecommunications transactions are to be reported on a settlements basis.

3. **Withholding taxes** – Data should be reported gross of U.S. and foreign withholding taxes.

4. **Services covered regardless of where performed** – Services sold to, or purchased from, unaffiliated foreign persons should be reported regardless of whether the services were performed in the United States or abroad.

5. **Services bundled with goods or with other services and not separately valued** – When a sale or purchase consists of both goods and services, or of several services, that cannot be unbundled (i.e., the goods and/or services are not separately valued), it should be classified based on whichever accounts for a majority of the value or on the basis of the Reporter's customary practice.

6. **Accounting for purchases** – Purchases of services should be included without regard to whether they are charged as an expense on the income statement, capitalized, or charged to inventories.

7. **Partnerships** – A partnership is a business enterprise and must report if it has covered transactions. The report must be for, and the data and information must cover, the partnership as a whole, not just the activities of an individual partner.

8. **Contractor reporting responsibility** – On all schedules, U.S. prime contractors are to report the full value of a transaction (contract) with an unaffiliated foreign person. U.S. subcontractors, including independent consultants, to a U.S. prime contractor are not to report their share of a contract with an unaffiliated foreign person.

9. **Projects with U.S. Government nonmilitary agencies** – Report information on services that are provided abroad for U.S. Government nonmilitary agencies, such as the Agency for International Development and the United States Information Agency, or that are part of an aid or technical cooperation program of the Government with foreign persons. However, do not report services provided to the U.S. Department of Defense or any of its agencies, such as the Army Corps of Engineers. Also, do not report receipts for services on projects arranged through the Foreign Military Sales program of the Department of Defense.

10. **International organizations** – Report transactions with international organizations, which, according to balance of payments conventions, are considered unaffiliated foreign persons even if they are headquartered in the United States. Enter the abbreviated designation, "Int'l Org.", as the name of the country the project is with.

#### D. Consolidation

If the U.S. Reporter is a corporation, Form BE-20 is required to cover reportable transactions for the fully consolidated U.S. domestic enterprise consisting of (i) the U.S. corporation whose voting securities are not owned more than 50 percent by another U.S. corporation, and, proceeding down each ownership chain from that U.S. corporation, (ii) any U.S. corporation (including a Foreign Sales Corporation located in the United States) whose voting securities are more than 50-percent owned by the U.S. corporation above it.

The fully consolidated U.S. domestic enterprise excludes foreign branches and other foreign affiliates.

Conditions may exist that would lead a U.S. corporation to exclude certain majority-owned (more than 50-percent owned) domestic subsidiaries from financial statements used in reports to shareholders. If such a subsidiary has covered transactions, it must file a report under its own name, and the subsidiary will be considered the U.S. Reporter for purposes of completing that form. The U.S. owner, however, is responsible for ensuring that the required Forms BE-20, both for itself and for the subsidiary, are filed with BEA on a timely basis. Such a subsidiary's filing deadline is the same as that of its U.S. owner.



## GENERAL INSTRUCTIONS - Continued

### II. DEFINITIONS

- A. Services** mean economic activities whose outputs are other than tangible goods. This term includes, but is not limited to, banking, other financial services, insurance, transportation, communications and data processing, retail and wholesale trade, advertising, accounting, construction, design, engineering, management consulting, real estate, professional services, entertainment, education, and health care.
- B. U.S. Reporter** is the U.S. person filing a report in this survey (see I.D. for further clarification).
- C. United States**, when used in a geographic sense, means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and all territories and possessions of the United States.
- D. Foreign**, when used in a geographic sense, means that which is situated outside the United States or which belongs to or is characteristic of a country other than the United States.
- E. Person** means any individual, branch, partnership, associated group, association, estate, trust, corporation, or other organization (whether or not organized under the laws of any State), and any government (including a foreign government, the United States Government, a State or local government, and any agency, corporation, financial institution, or other entity or instrumentality thereof, including a government sponsored agency).
- 1. United States person** means any person resident in the United States or subject to the jurisdiction of the United States.
  - 2. Foreign person** means any person resident outside the United States or subject to the jurisdiction of a country other than the United States.
- F. Business enterprise** means any organization, association, branch or venture which exists for profitmaking purposes or to otherwise secure economic advantage, and any ownership of any real estate. (A business enterprise is a "person" within the definition in paragraph E above.)
- G. Direct investment** means the ownership or control, directly or indirectly, by one person of 10 per centum or more of the voting securities of an incorporated business enterprise or an equivalent interest in an unincorporated business enterprise.
- H. Parent** means a person of one country who, directly or indirectly, owns or controls 10 per centum or more of the voting stock of an incorporated business enterprise, or an equivalent ownership interest in an unincorporated business enterprise, which is located outside that country.
- 1. U.S. parent** means the U.S. person that has direct investment in a foreign business enterprise.
  - 2. Foreign parent** means the foreign person, or the first person outside the United States in a foreign chain of ownership, which has direct investment in a U.S. business enterprise, including a branch.
- I. Affiliated foreign group** means (i) the foreign parent, (ii) any foreign person, proceeding up the foreign parent's ownership chain, which owns more than 50 per centum of the person below it up to and including that person which is not owned more than 50 per centum by another foreign person, and (iii) any foreign person, proceeding down the ownership chain(s) of each of these members, which is owned more than 50 per centum by the person above it.
- J. Affiliate** means a business enterprise located in one country which is directly or indirectly owned or controlled by a person of another country to the extent of 10 per centum or more of its voting stock for an incorporated business or an equivalent interest for an unincorporated business, including a branch.
- 1. Foreign affiliate** means an affiliate located outside the United States in which a U.S. person has direct investment.
  - 2. U.S. affiliate** means an affiliate located in the United States in which a foreign person has direct investment.
- K. Affiliated foreign person** means, with respect to a given U.S. person, (i) a foreign affiliate of which the U.S. person is a U.S. parent, or (ii) the foreign parent or other member of the affiliated foreign group of which the U.S. person is a U.S. affiliate.

**L. Unaffiliated foreign person** means, with respect to a given U.S. person, any foreign person that is not an affiliated foreign person as defined in paragraph K above.

**M. 1996 fiscal year** is the U.S. Reporter's financial reporting year that has an ending date in calendar year 1996. For a person that does not have a financial reporting year, or does not have a financial reporting year ending in calendar year 1996, its 1996 fiscal year is deemed to be the same as calendar year 1996.

**N. Country** means, for purposes of this survey, the country of location of the foreign person with whom a transaction has occurred.

### III. GUIDELINES FOR CATEGORIZING ACTIVITIES

#### A. Distinguishing between unaffiliated and affiliated transactions

This survey covers U.S. persons' direct services transactions, both sales and purchases, with unaffiliated foreign persons - that is, with foreign persons that are neither the foreign affiliate nor the foreign parent of the U.S. person filing the report. For definitions of terms, see II. above.

Examples of reportable transactions are:

1. A transaction between a U.S. person and an unaffiliated foreign person.
2. A transaction between one U.S. person and another U.S. person's foreign affiliate. Such a transaction is reportable by the first U.S. person.
3. A transaction between a U.S. parent of a foreign affiliate, or a U.S. affiliate of a foreign parent, and an unaffiliated foreign person (whether or not the latter is affiliated with other U.S. persons). Such a transaction is reportable by the U.S. parent or the U.S. affiliate.

Examples of transactions that are **not** reportable are:

1. A transaction between a U.S. person (U.S. parent) and its foreign affiliate.
2. A transaction between a U.S. person (U.S. affiliate) and its foreign parent or other member of the affiliated foreign group.
3. A transaction between a U.S. person's foreign affiliate and another foreign person. Such a transaction is not reportable because it is a foreign-to-foreign transaction.
4. A transaction between a U.S. person and another U.S. person (whether or not either or both parties are affiliated with foreign persons). Such a transaction is not reportable because it is a U.S.-to-U.S. transaction.

Transactions between U.S. parents and their foreign affiliates, and between foreign affiliates and other foreign persons, are already reportable in the surveys of U.S. direct investment abroad (BE-10, BE-11, and BE-577). Transactions between U.S. affiliates and their foreign parents or other members of their affiliated foreign groups are already reportable in the surveys of foreign direct investment in the United States (BE-12, BE-13, BE-15, BE-605, and BE-605 (BANK)).

#### B. Foreign activities of a U.S. person that do not constitute a foreign affiliate

Transactions with unaffiliated foreign persons by or through a foreign "activity" of a U.S. person that is not a foreign affiliate must be reported on the BE-20, if the activities are in covered types of services. Any of the services covered by this survey may also be provided at a foreign location through a foreign affiliate. Such transactions are not reportable in this survey. Before completing this survey, therefore, reporters must determine whether or not the services are conducted through a foreign activity that is not a foreign affiliate or through a foreign affiliate.

Although the definitions of direct investment and foreign affiliate in II. above, together with the discussion in III.A. above, should be sufficient to determine whether a given foreign activity is or is not a foreign affiliate, in a number of cases the determination may be difficult. Several factors to be considered are given below. If you still cannot determine if the activity or operation is an affiliate, call (202) 606-5588 for additional guidance. Also, if you think that an activity or operation currently reported as an affiliate is incorrect, please call and a determination of future reporting status will be made.



## GENERAL INSTRUCTIONS - Continued

### B. Foreign activities of a U.S. person that do not constitute a foreign affiliate - Continued

If a U.S. person's foreign activity or operation is incorporated abroad, it is a foreign affiliate.

If a U.S. person's foreign activity or operation is **not** incorporated abroad, its status is based on the weight of the evidence when the factors listed below are considered.

An unincorporated foreign activity or operation generally **would** be considered a foreign affiliate if it: (i) pays foreign income taxes; (ii) has a substantial physical presence abroad (e.g., plant and equipment or employees); (iii) maintains separate financial records that would permit the preparation of financial statements, including an income statement and balance sheet (not just a record of disbursements and receipts); (iv) takes title to the goods it sells and receives revenues therefrom; or (v) receives funds for its own account from customers for services it performs.

An unincorporated foreign activity or operation generally **would not** be considered a foreign affiliate if it: (i) conducts business abroad only for the U.S. person's account and not for its own account (e.g., sales promotion or public relations type of activities); (ii) has no separate financial statements; (iii) receives funds to cover its expenses only from the U.S. person; (iv) pays no foreign income taxes; and (v) has limited physical assets, or employees, permanently located abroad.

**Note** that a diverse group of activities that do not constitute foreign affiliates are covered by services numbered 15-21 in VII. of these General Instructions. For activities that are covered by these services, the respondent is asked to provide a breakdown by country of the total amount of the funding for these activities.

### C. U.S. activities of a foreign person that do not constitute a U.S. affiliate

Criteria for determining which U.S. activities do or do not constitute a U.S. affiliate of a foreign person are parallel to those in III.B. above.

### D. Determining who must report a transaction when an intermediary is involved

At times, transactions between a U.S. person and an unaffiliated foreign person may be arranged by, billed through, or otherwise facilitated by, an intermediary. The intermediary may be U.S. or foreign, and may be affiliated or unaffiliated with the U.S., or the foreign, person.

A determination of who a sale is to, or who a purchase is from, shall be made on the basis of who the U.S. person considers itself to have a claim on for payment, in the case of a sale, or who it has a liability to, in the case of a purchase. For a sale, if the U.S. person looks to the unaffiliated foreign person for payment, then the transaction is between the U.S. person and unaffiliated foreign person, and is to be reported by the U.S. person. If the U.S. person looks to the intermediary for payment, and the intermediary, in turn, looks to the foreign person for payment, then whether either transaction is reportable, and who it is to be reported by, depends on the location of the intermediary and the relationship between the U.S. person and the intermediary.

If the intermediary is a foreign person, then the U.S. person would report the transaction, provided the intermediary is not affiliated with the U.S. person. (If they are affiliated, then the transaction is not reportable in this survey.)

If the intermediary is a U.S. person, then the initial transaction between the original U.S. person and the intermediary is U.S.-to-U.S. and not reportable in the survey. However, the intermediary must report the transaction with the foreign person, provided the intermediary is not affiliated with the foreign person. (If they are affiliated, then the transaction is not reportable in this survey.)

The reportability of a purchase would be determined in a similar manner.

### IV. OPTIONAL CHECKLIST OF SERVICES TRANSACTIONS BETWEEN COMPANY UNIT AND UNAFFILIATED FOREIGN PERSONS

For the convenience of reporters, an "Optional Checklist" is provided in Supplement A, to help diversified companies determine, without a records search, whether or not the "parts" or units of the company had reportable services transactions, either sales or purchases, with unaffiliated foreign persons in 1996.

If, for any sales or purchases category, a "part" or unit of the company answers "Yes" to the question of whether it had a transaction in a particular type of service, that "part" or unit must be included in the company's report under the survey's mandatory reporting requirement if the U.S. Reporter's total transactions in that service exceed \$500,000. (See I.A.1. of these General Instructions.) Even if the U.S. Reporter's total transactions are \$500,000 or less, a "Yes" answer to the question of whether the "part" or unit had any transactions can be used to help determine if the transactions of that "part" or unit should be included in the company's report on a voluntary basis. (See I.A.2. of these General Instructions.)

Companies should reproduce the checklist for distribution to their "parts" or units if they decide to use it in preparing their reports. The checklist is optional; it is for the internal use of reporters only and should not be returned to BEA with Form BE-20.

Some companies may find it advantageous to adapt the "Optional Checklist" to accommodate their own particular corporate structure or data collection procedures.

## V. RELATED FORMS

Persons receiving this form should be aware of ten other forms on services that are required to be filed on a mandatory basis with BEA (see 15 CFR, Part 801, Sections 9(b) and 9(c)).

- BE-22** Annual Survey of Selected Services Transactions with Unaffiliated Foreign Persons
- BE-29** Foreign Ocean Carriers' Expenses in the United States
- BE-30** Ocean Freight Revenues and Foreign Expenses of United States Carriers
- BE-36** Foreign Airline Operators' Revenues and Expenses in the United States
- BE-37** U.S. Airline Operators' Foreign Revenues and Expenses
- BE-47** Annual Survey of Construction, Engineering, Architectural, and Mining Services Provided by U.S. Firms to Unaffiliated Foreign Persons
- BE-48** Annual Survey of Reinsurance and Other Insurance Transactions by U.S. Insurance Companies with Foreign Persons
- BE-80** Benchmark Survey of Financial Services Transactions Between U.S. Financial Services Providers and Unaffiliated Foreign Persons
- BE-82** Annual Survey of Financial Services Transactions Between U.S. Financial Services Providers and Unaffiliated Foreign Persons
- BE-93** Annual Survey of Royalties, License Fees, and Other Receipts and Payments for Intangible Rights Between U.S. and Unaffiliated Foreign Persons

The types of transactions reportable on those forms are not covered by this survey. To receive a copy of forms BE-29, BE-30, BE-36, and BE-37, telephone BEA at (202) 606-9559. To receive a copy of forms BE-22, BE-47, BE-48, BE-80, BE-82, and BE-93, telephone BEA at (202) 606-5588.

## VI. REPORTING PROCEDURES

- A. Due date** - A completed BE-20 report, consisting of Parts I and II and, as appropriate, either the applicable Schedule(s) or an exemption claim, is due on March 31, 1997.
- B. Extension** - Requests for an extension of the reporting deadline will not normally be granted. However, in a hardship case, a written request for an extension will be considered provided it is received at least 15 days before the due date of the report and enumerates substantive reasons necessitating the extension. BEA will provide a written response to such a request.
- C. For assistance or additional copies of the forms** - Telephone (202) 606-5588 between 8:00 a.m. and 4:00 p.m., eastern time, or fax your request to (202) 606-5318.
- D. Original and file copies** - A single original copy of each form or schedule must be filed with BEA. Please use the copy with the address label if such a labeled copy has been provided. In addition, each U.S. Reporter must retain a copy of its report to facilitate resolution of problems; these copies should be retained by the U.S. Reporter for a period of not less than 3 years beyond the form's original due date.



## GENERAL INSTRUCTIONS – Continued

### VI. REPORTING PROCEDURES – Continued

**E. Where to send report** – Reports filed by mail through the U.S. Postal Service should be sent to U.S. Department of Commerce, Bureau of Economic Analysis BE-50(SSB), Washington, DC 20230.

Reports filed by direct private delivery should be directed to U.S. Department of Commerce, Bureau of Economic Analysis BE-50(SSB), Shipping and Receiving Section, Room M-100, 1441 L Street, NW, Washington, DC 20005.

**F. Estimates** – If actual figures are not available, estimates should be supplied and labeled as such. When data items cannot be fully subdivided as required, totals and an estimated breakdown of the totals should be supplied.

### VII. SERVICES COVERED

The following types of services are covered by this survey:

**1. Agricultural services** (Report receipts on Schedule A and payments on Schedule B): Soil preparation services, crop services, veterinary and other animal services, farm labor and management services, and landscape and horticultural services.

**2. Research, development, and testing services** (Report receipts on Schedule A and payments on Schedule B): Commercial and noncommercial research, product development services, and testing services. Include fees for the conduct of experiments or performance of research and development activities aboard spacecraft. Excludes medical and dental laboratory services.

**3. Management, consulting, and public relations services** (Report receipts on Schedule A and payments on Schedule B): Management services, except management of health care facilities (report under service number 4); consulting services, except consulting engineering services related to actual or proposed construction or mining services projects (report purchases under service number 24, and report sales on BEA Form BE-47 – see V. of these General Instructions) and computer consulting (report under service number 28); and public relations services, except those that are an integral part of an advertising campaign (report under service number 27). However, if both operating staff and management are provided, the activity generally should be reported on BEA's direct investment surveys rather than on this survey.

**4. Management of health care facilities** (Report receipts on Schedule A and payments on Schedule B): Management of hospitals, nursing homes, and other health care facilities. However, if both operating staff and management are provided, the activity generally should be reported on BEA's direct investment surveys rather than on this survey.

**5. Accounting, auditing, and bookkeeping services** (Report receipts on Schedule A and payments on Schedule B): Excludes data processing and tabulating services (report under service number 28).

**6. Legal services** (Report receipts on Schedule A and payments on Schedule B): Legal advice or other legal services. Insurance companies should include fees for claim adjustment expenses.

**7. Educational and training services** (Report receipts on Schedule A and payments on Schedule B): Educational or training services provided on a contract or fee basis. Excludes tuition and fees charged to individual U.S. and foreign students by educational institutions. Also excludes training done by a manufacturer in connection with the sale of a good (report under service number 11).

**8. Mailing, reproduction, and commercial art** (Report receipts on Schedule A and payments on Schedule B): Direct mail advertising services; mailing services, such as remailing services in connection with direct mail advertising; commercial photography, art, and graphic services; address list compilation; and stenographic services.

**9. Employment agencies and temporary help supply services** (Report receipts on Schedule A and payments on Schedule B): Employment services and provision of temporary help and personnel to perform services on a contract or fee basis. Where workers are carried on the payroll of the agency, includes amounts received or paid for the compensation of workers as well as agency fees.

**10. Industrial engineering services** (Report receipts on Schedule A and payments on Schedule B): Engineering services related to the design of movable products, including product design services. Includes services performed with the assistance of computers, such as computer-assisted design work. Excludes engineering and architectural services that relate to immovable products, such as those that relate to actual or proposed construction or mining services projects (report purchases under service number 24, and report sales on BEA Form BE-47 – see V. of these General Instructions).

**11. Industrial-type maintenance, installation, alteration, and training services** (Report receipts on Schedule A and payments on Schedule B): Maintenance services primarily to machinery and equipment. May also include small maintenance work on buildings, structures, dams, highways, etc., but only to the extent that the work is not reportable under service number 24. Would include such services as the periodic overhaul of turbines, the extinguishment of natural gas well fires, and refinery maintenance. Excludes computer maintenance and repair (report under service number 28). Installation and training services include only installation, startup, and training services provided by a manufacturer in connection with the sale of a good. Do not include such services where the cost is included in the price of the goods and not separately billed, or is declared as a part of the price of the goods on the import or export declaration filed with the U.S. Customs Service; however, services provided at a price over and above that entered on the declaration should be included. These services would be reported elsewhere if not received in connection with the purchase of goods. For example, installation of machinery and equipment is normally considered a construction activity, and training personnel in the use of new machinery would ordinarily be reported as an educational or training service.

**12. Performing arts, sports, and other live performances, presentations, and events** (Report receipts on Schedule A and payments on Schedule B): Fees received (net of allowances for foreign expenses) or paid (net of allowances for U.S. expenses) for performing arts, sports, etc. To be reported by (a) U.S. management companies, booking agents, promoters, and presenters who received funds from or paid funds to foreign persons, for performance and events, and (b) U.S. performers who received funds directly from a foreign person rather than through a U.S. management company or similar entity. (As used here, "performers" means entertainers, sports teams, orchestras, dance companies, lecturers, and similar persons or performing groups.)

**13. Sale or purchase of rights to natural resources, and lease bonus payments** (Report receipts on Schedule A and payments on Schedule B): Receipts from the sale of, or payments for the acquisition of, rights to natural resources located in the United States and abroad, and lease bonus payments. Excludes sales or purchases of rights to surface land.

**14. Use or lease of rights to natural resources, excluding lease bonus payments** (Report receipts on Schedule A and payments on Schedule B): Receipts or payments for the use of rights to natural resources located in the United States and abroad, including oil or mining production royalties. Excludes lease bonus payments (report under service number 13) and sales or purchases of rights to surface land.

**Note for services numbered 15–21:** Where a set of related expenditures was made in several countries, but your recordkeeping does not permit a precise allocation of expenses among individual countries, estimates are acceptable. If no basis for such estimates exists, then it is permissible to record the expenditures against the country in which the activities were centered or headquartered. For example, a news correspondent may conduct news-gathering activities in several countries. Although it would be preferable to report news-gathering expenses in each of the several countries, all of the expenses may, if necessary, be recorded against the country where the foreign news bureau is headquartered, or where the correspondent had the largest outlays.

**15. Disbursements to fund news-gathering costs of broadcasters** (Report receipts on Schedule A and payments on Schedule B): U.S. broadcasters' outlays to fund operations of their foreign news bureaus and for support of correspondents in foreign countries, and foreign broadcasters' outlays to fund operations of their U.S. news bureaus and for support of correspondents in the United States. (See note above.)



## GENERAL INSTRUCTIONS - Continued

### VII. SERVICES COVERED - Continued

- 16. Disbursements to fund news-gathering costs of print media** (Report receipts on Schedule A and payments on Schedule B): Outlays by U.S. newspapers, news syndicates, and news magazines for the operation of their foreign news bureaus, and outlays by foreign newspapers, news syndicates, and news magazines for the operation of their U.S. news bureaus. (See note above service number 15.)
- 17. Disbursements to fund production costs of motion pictures** (Report receipts on Schedule A and payments on Schedule B): Foreign production costs of U.S. motion picture companies, and U.S. production costs of foreign motion picture companies. (See note above service number 15.)
- 18. Disbursements to fund production costs of broadcast program material other than news** (Report receipts on Schedule A and payments on Schedule B): Foreign production costs of U.S. companies engaged in the production of broadcast material other than news, and U.S. production costs of foreign companies engaged in the production of broadcast material other than news. Includes disbursements to fund the production and/or the broadcast of such programs; for example, includes both the disbursements for broadcasting professional or amateur athletic sporting events, and the disbursements for production of the events themselves. (See note above service number 15.)
- 19. Disbursements to maintain government tourism and business promotion offices** (Report receipts on Schedule A and payments on Schedule B): Funding to maintain State tourism and business promotion offices located abroad, and funding to maintain foreign government sponsored tourism and business promotion offices located in the United States. (See note above service number 15.)
- 20. Disbursements for sales promotion and representation** (Report receipts on Schedule A and payments on Schedule B): Funding to maintain sales promotion and representative offices, and commissions or "finder's fees" to unaffiliated (independent) sales agents. Sales promotion offices typically have few assets other than office furniture; to the extent that their employees are compensated by commissions, the commissions arise only from sales or business that the employees generate for their U.S. or foreign parents; they do not produce revenue, other than funds from their parents to cover their expenses; and they are engaged only in sales promotion, representational, public-relations-type activities, or the gathering of market information, on behalf of their parents. If an office produces revenues for its own account from goods or services it provides to unaffiliated persons, then it is considered a U.S. or foreign affiliate and is subject to the reporting requirements for BEA's direct investment surveys. (See note above service number 15.)
- 21. Disbursements to participate in foreign trade shows** (Report payments/expenditures on Schedule B; receipts are not reportable): Foreign expenses incurred by U.S. persons participating in foreign trade shows. (See note above service number 15.)

**Note for services numbered 22-23:** When you report either service number 22 or 23, also report the other service. If there are transactions in one of these services but not in the other, enter "N/A" in the appropriate column of Schedule B, line 1 or 32.

- 22. Premiums paid on primary insurance** (Report payments of premiums on Schedule B; do not report receipts of premiums): Premiums (net of cancellations) paid to unaffiliated foreign insurance carriers for primary insurance. Excludes reinsurance transactions. A U.S. Reporter should not report direct transactions with a foreign insurance company that is its foreign affiliate; such transactions are to be reported on direct investment survey BE-577. A U.S. Reporter should, however, report direct transactions with a foreign insurance company that is an affiliate of another U.S. company, as the U.S. Reporter and the foreign insurance company are unaffiliated. (See note above.)
- 23. Losses recovered on primary insurance** (Report the recovery of losses on purchases of primary insurance as a positive amount on Schedule B; payments of losses by U.S. insurance companies are covered on BEA Form BE-48, and should not be reported on this BE-20 form): Losses recovered on insurance purchased from unaffiliated foreign insurance carriers. (See note above service number 22.)

- 24. Construction, engineering, architectural, and mining services** (Report purchases on Schedule B; sales are covered on BEA Form BE-47, and should not be reported on this BE-20 form): Includes purchases of the following types of services: Services of general contractors in the fields of building and heavy construction; construction work by special trade contractors, such as the erection of structural steel for bridges and buildings and on-site electrical work; architectural, engineering, and land-surveying services; and mining services, including oil and gas field services. Includes only those engineering services purchased in conjunction with construction and mining services projects; industrial engineering services, such as product design services, should be reported under service number 10. Includes services purchased in connection with proposed projects (e.g., feasibility studies) as well as projects that are actually being carried out.
- 25. Merchanting services** (Report sales/receipts on Schedule A; purchases/payments are not reportable): For this service, only the value of merchanting services for all foreign countries combined (i.e., the global total for all foreign merchanting services) must be reported; data by individual foreign country may be reported voluntarily.

The value of merchanting services is equal to the **difference** between your cost for, and the resale price of, goods (such as crude oil, grain, and other commodities) that are both purchased and resold abroad; that is, the goods are neither imported to, nor exported from, the United States, and they do not undergo significant processing during the time between when they are purchased and resold. Without regard to whether you initially purchased the goods from an affiliated or unaffiliated foreign person, report data only for those transactions where you resold goods to an unaffiliated foreign person (i.e., a person who is neither your foreign affiliate nor a member of your foreign parent group). The data that are voluntarily reported by individual foreign country should be reported according to the individual foreign countries to which the goods were resold (and not the foreign countries from which the goods were purchased).

- 26. Financial services** (Report purchases on Schedule C; sales are covered on BEA Form BE-82, and should not be reported on this BE-20 form): Purchases from foreigners of financial services by U.S. firms, or domestic subsidiaries of U.S. firms, that are **not** financial services intermediaries or providers. Includes credit-related fees, fees on securities transactions, and fees for other financial services. See Schedule C for a more detailed description of the types of transactions that are covered.
- 27. Advertising services** (Report receipts on Schedule D and payments on Schedule B): Preparation of advertising and placement of such advertising in media, including charges for media space and time. Schedule D, Sales of Advertising Services, is to be filed by U.S. Reporters that are advertising agencies or media companies, or that include such an agency or company within the consolidated reporting entity. See Schedule D for detailed guidelines concerning the reporting of data on receipts.

For **purchases** of advertising services, U.S. Reporters that are advertising agencies should report on Schedule B only funds paid to foreign advertising agencies and media companies on behalf of their clients. U.S. Reporters other than advertising agencies should report only purchases made directly from foreign advertising agencies and media companies. Do not report purchases made through a U.S. advertising agency. Also, do not report purchases made through the U.S. office of a foreign advertising agency if your payment is made to the U.S. office.

Include the value of reciprocal exchanges - i.e., transactions involving barter. On Schedule D, value your sales to the foreign participant in the reciprocal exchange at market rates, not at the actual cost of performing the services. On Schedule B, value your purchases from the foreign participant at the same amount as the sales reported on Schedule D.

- 28. Computer and data processing services** (Report receipts on Schedule E and payments on Schedule B): Data entry, processing (both batch and remote), and tabulation; computer systems analysis, design, and engineering; custom software and programming services; rights to distribute general use software, and rights to reproduce or use general use software that was electronically transmitted or made by the customer from a master copy (exclude purchases and sales of prepackaged computer software physically shipped to or from the United States); integrated hardware/software systems; and other computer services (such as timesharing, maintenance, and repair). Exclude operational leasing of computer and data processing equipment, which should be reported under service number 31.



## GENERAL INSTRUCTIONS - Continued

### VII. SERVICES COVERED - Continued

**29. Data base and other information services** (Report receipts on Schedule F and payments on Schedule B): Business and economic data base services, including business news, stock quotation, and financial information services; medical, legal, technical, demographic, bibliographic, and similar data base services; general news services, such as those purchased from a news syndicate; and other information services, including reservation systems and credit reporting systems. Include nonbulk subscriptions to newspapers and periodicals. For airline reservation systems, include booking fees from foreign carriers for the use of your reservation system, whether accessed directly or by a U.S. or foreign travel agent.

**30. Telecommunications services** (Report receipts and payments on Schedule G): Includes services of the following types: (1) Message telephone services; (2) private leased channel services; (3) telex, telegram, and other jointly-provided (basic) services; (4) value-added (enhanced) services; and (5) telecommunications support services. Report receipts in Part I of Schedule G, and report payouts in Part II of Schedule G.

**31. Operational leasing services** (Report receipts on Schedule H and payments on Schedule B): Rentals for computer and data processing equipment; transportation equipment (such as ships, aircraft, railway cars, containers, rigs, automobile fleets, etc.) **without** crew or operators (if crew or operators are also provided, the fee is considered to be for transportation services, which are not reportable on the BE-20 but may be reportable on other BEA forms - see V. of these General Instructions); and all other machinery and equipment. This category excludes rentals under leases that have been capitalized (capital leases), and rentals of any items other than machinery and equipment. (For example, it excludes rentals of office buildings and other real estate, film rentals, and employee leasing.)

**32. Other private services** (Report receipts on Schedule A and payments on Schedule B): Report transactions in the following types of services: Language translation services, security services, collection services, actuarial services, salvage services, satellite photography services, and oil spill and toxic waste cleanup services; i.e., this category **excludes** transactions in services not on this list. When reporting data under this service number, also identify on Schedule A or Schedule B, as appropriate, the specific type of service from the list above accounting for the largest share of the reported total.

# **SCHEDULE A — SALES OF SELECTED SERVICES TO UNAFFILIATED FOREIGN PERSONS BY U.S. REPORTER**

- Section A is **required** to be completed for a given type of service or activity if your total sales to foreign persons of that service, or your total receipts from foreign persons for that activity, exceed \$500,000.
- Section B is **requested** to be completed for a given type of service or activity if your total sales to foreign persons of that service, or your total receipts from foreign persons for that activity, are \$500,000 or less.

**NOTE** – In determining exemption, except for transactions in rights to natural resources, the \$500,000 threshold should be separately applied to each of the services listed below. For transactions in rights to natural resources, the \$500,000 threshold should be applied to the sum of services numbered 13 and 14.

Enter the number associated with the service, instead of the complete title of the service, in the column heading on Schedule A. See VII. of the General Instructions for complete descriptions of the services covered.

It should be noted that sales of advertising services are reported on Schedule D, sales of computer and data processing services are reported on Schedule E, sales of data base and other information services are reported on Schedule F, sales (and purchases) of telecommunications services are reported on Schedule G, and sales of operational leasing services are reported on Schedule H.

Service number	Service
<b>1</b>	Agricultural services
<b>2</b>	Research, development, and testing services
<b>3</b>	Management, consulting, and public relations services
<b>4</b>	Management of health care facilities
<b>5</b>	Accounting, auditing, and bookkeeping services
<b>6</b>	Legal services
<b>7</b>	Educational and training services
<b>8</b>	Mailing, reproduction, and commercial art
<b>9</b>	Employment agencies and temporary help supply services
<b>10</b>	Industrial engineering services
<b>11</b>	Industrial-type maintenance, installation, alteration, and training services
<b>12</b>	Performing arts, sports, and other live performances, presentations, and events
<b>13</b>	Sale of rights to natural resources, and lease bonus payments
<b>14</b>	Use or lease of rights to natural resources, excluding lease bonus payments
<b>15</b>	Disbursements to fund news-gathering costs of broadcasters
<b>16</b>	Disbursements to fund news-gathering costs of print media
<b>17</b>	Disbursements to fund production costs of motion pictures
<b>18</b>	Disbursements to fund production costs of broadcast program material other than news
<b>19</b>	Disbursements to maintain government tourism and business promotion offices
<b>20</b>	Disbursements for sales promotion and representation
<b>25</b>	Merchanting services
<b>32</b>	Other private services – Enter the total amount of fees you received for sales of all of the following services combined: Language translation services, security services, collection services, actuarial services, salvage services, satellite photography services, and oil spill and toxic waste cleanup services. If you are subject to the survey's mandatory reporting requirement and you reported data under this service number, identify from the services listed the one that accounts for the largest share of the data reported. ↗

# **SCHEDULE A — SALES OF SELECTED SERVICES TO UNAFFILIATED FOREIGN PERSONS BY U.S. REPORTER**

**BE-20, BENCHMARK SURVEY OF SELECTED SERVICES  
TRANSACTIONS WITH UNAFFILIATED FOREIGN PERSONS — 1996**

RECEIPTS FROM		BEA USE ONLY		REPORT IN THOUSANDS OF U.S. DOLLARS							
				Service number:	Service number:	Service number:	Service number:	Service number:	Service number:		
				(3)	(4)	(5)	(6)	(7)	(8)		
<b>Section A — MANDATORY</b> A1000		1	2	3	4	5	6	7	8		
<b>Complete if total sales of the given type of service exceed \$500,000.</b>											
<b>1. All countries, total</b> → 001		1	2	3	4	5	6	7	8		
<b>2. Australia</b>	002	1	2	3	4	5	6	7	8		
<b>3. Belgium</b>	003	1	2	3	4	5	6	7	8		
<b>4. Brazil</b>	004	1	2	3	4	5	6	7	8		
<b>5. Canada</b>	005	1	2	3	4	5	6	7	8		
<b>6. France</b>	006	1	2	3	4	5	6	7	8		
<b>7. Germany</b>	007	1	2	3	4	5	6	7	8		
<b>8. Hong Kong</b>	008	1	2	3	4	5	6	7	8		
<b>9. Israel</b>	009	1	2	3	4	5	6	7	8		
<b>10. Italy</b>	010	1	2	3	4	5	6	7	8		
<b>11. Japan</b>	011	1	2	3	4	5	6	7	8		
<b>12. Luxembourg</b>	012	1	2	3	4	5	6	7	8		
<b>13. Mexico</b>	013	1	2	3	4	5	6	7	8		
<b>14. Netherlands</b>	014	1	2	3	4	5	6	7	8		
<b>15. Philippines</b>	015	1	2	3	4	5	6	7	8		
<b>16. Saudi Arabia</b>	016	1	2	3	4	5	6	7	8		
<b>17. South Korea</b>	017	1	2	3	4	5	6	7	8		
<b>18. Spain</b>	018	1	2	3	4	5	6	7	8		
<b>19. Sweden</b>	019	1	2	3	4	5	6	7	8		
<b>20. Switzerland</b>	020	1	2	3	4	5	6	7	8		
<b>21. Taiwan</b>	021	1	2	3	4	5	6	7	8		
<b>22. United Kingdom</b>	022	1	2	3	4	5	6	7	8		
<b>23. Venezuela</b>	023	1	2	3	4	5	6	7	8		
<b>Other — Specify</b> (Use additional copied sheets as necessary)		1	2	3	4	5	6	7	8		
<b>24.</b>	024	1	2	3	4	5	6	7	8		
<b>25.</b>	025	1	2	3	4	5	6	7	8		
<b>26.</b>	026	1	2	3	4	5	6	7	8		
<b>27.</b>	027	1	2	3	4	5	6	7	8		
<b>28.</b>	028	1	2	3	4	5	6	7	8		
<b>29.</b>	029	1	2	3	4	5	6	7	8		
<b>30.</b>	030	1	2	3	4	5	6	7	8		
<b>31.</b>	031	1	2	3	4	5	6	7	8		
<b>Section B — VOLUNTARY</b>											
<b>Complete if total sales of the given type of service are \$500,000 or less.</b>											
<b>32. All countries, total</b> → 032		1	2	3	4	5	6	7	8		
<b>BEA USE ONLY</b>		033									

**NOTE** — If total (cross-border) sales of a given type of service exceed \$500,000, you must complete the MANDATORY section above, and line 32 must be left blank.




# **SCHEDULE B - PURCHASES OF SELECTED SERVICES FROM UNAFFILIATED FOREIGN PERSONS BY U.S. REPORTER**

- Section A is **required** to be completed for a given type of service or activity if your total purchases of that service, or outlays for that activity, exceed \$500,000.
- Section B is **requested** to be completed for a given type of service or activity if your total purchases of that service, or outlays for that activity, are \$500,000 or less.

**NOTE** - In determining exemption, except for transactions in rights to natural resources, the \$500,000 threshold should be separately applied to each of the services listed below. For transactions in rights to natural resources, the \$500,000 threshold should be applied to the sum of services numbered 13 and 14. For purchases of primary insurance, for which premiums paid and losses recovered are required to be reported in separate columns, both premiums paid and losses recovered (services numbered 22 and 23) must be reported if either premiums paid or losses recovered exceed \$500,000. If there are transactions in one of these services but not in the other, enter "N/A" in the appropriate column of this schedule, line 1 or 32.

Enter the number associated with the service, instead of the complete title of the service, in the column heading on Schedule B. See VII. of the General Instructions for complete descriptions of the services covered.

It should be noted that purchases of financial services are reported on Schedule C, and that purchases of telecommunications services are reported on Schedule G.

Service number	Service
1	Agricultural services
2	Research, development, and testing services
3	Management, consulting, and public relations services
4	Management of health care facilities
5	Accounting, auditing, and bookkeeping services
6	Legal services
7	Educational and training services
8	Mailing, reproduction, and commercial art
9	Employment agencies and temporary help supply services
10	Industrial engineering services
11	Industrial-type maintenance, installation, alteration, and training services
12	Performing arts, sports, and other live performances, presentations, and events
13	Purchase of rights to natural resources, and lease bonus payments
14	Use or lease of rights to natural resources, excluding lease bonus payments
15	Disbursements to fund news-gathering costs of broadcasters
16	Disbursements to fund news-gathering costs of print media
17	Disbursements to fund production costs of motion pictures
18	Disbursements to fund production costs of broadcast program material other than news
19	Disbursements to maintain government tourism and business promotion offices
20	Disbursements for sales promotion and representation
21	Disbursements to participate in foreign trade shows
22	Premiums paid on purchases of primary insurance
23	Losses recovered on purchases of primary insurance
24	Construction, engineering, architectural, and mining services
27	Advertising services
28	Computer and data processing services
29	Data base and other information services
31	Operational leasing services
32	Other private services - Enter the total amount of fees you paid for purchases of all of the following services combined: Language translation services, security services, collection services, actuarial services, salvage services, satellite photography services, and oil spill and toxic waste cleanup services. If you are subject to the survey's mandatory reporting requirement and you reported data under this service number, identify from the services listed the one that accounts for the largest share of the data reported. 

**SCHEDULE B — PURCHASES OF SELECTED SERVICES FROM  
UNAFFILIATED FOREIGN PERSONS BY U.S. REPORTER**  
BE-20, BENCHMARK SURVEY OF SELECTED SERVICES  
TRANSACTIONS WITH UNAFFILIATED FOREIGN PERSONS — 1996

PAYMENTS TO	BEA USE ONLY		REPORT IN THOUSANDS OF U.S. DOLLARS					
			Service number:	Service number:	Service number:	Service number:	Service number:	Service number:
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Section A - MANDATORY</b> B1000	1	2	3	4	5	6	7	8
<b>Complete if total purchases of the given type of service exceed \$500,000.</b>								
<b>1. All countries, total</b> → 001	1	2	3	4	5	6	7	8
<b>2. Australia</b> 002	1	2	3	4	5	6	7	8
<b>3. Belgium</b> 003	1	2	3	4	5	6	7	8
<b>4. Brazil</b> 004	1	2	3	4	5	6	7	8
<b>5. Canada</b> 005	1	2	3	4	5	6	7	8
<b>6. France</b> 006	1	2	3	4	5	6	7	8
<b>7. Germany</b> 007	1	2	3	4	5	6	7	8
<b>8. Hong Kong</b> 008	1	2	3	4	5	6	7	8
<b>9. Israel</b> 009	1	2	3	4	5	6	7	8
<b>10. Italy</b> 010	1	2	3	4	5	6	7	8
<b>11. Japan</b> 011	1	2	3	4	5	6	7	8
<b>12. Luxembourg</b> 012	1	2	3	4	5	6	7	8
<b>13. Mexico</b> 013	1	2	3	4	5	6	7	8
<b>14. Netherlands</b> 014	1	2	3	4	5	6	7	8
<b>15. Philippines</b> 015	1	2	3	4	5	6	7	8
<b>16. Saudi Arabia</b> 016	1	2	3	4	5	6	7	8
<b>17. South Korea</b> 017	1	2	3	4	5	6	7	8
<b>18. Spain</b> 018	1	2	3	4	5	6	7	8
<b>19. Sweden</b> 019	1	2	3	4	5	6	7	8
<b>20. Switzerland</b> 020	1	2	3	4	5	6	7	8
<b>21. Taiwan</b> 021	1	2	3	4	5	6	7	8
<b>22. United Kingdom</b> 022	1	2	3	4	5	6	7	8
<b>23. Venezuela</b> 023	1	2	3	4	5	6	7	8
<b>Other — Specify</b> (Use additional copied sheets as necessary)	1	2	3	4	5	6	7	8
<b>24.</b> 024	1	2	3	4	5	6	7	8
<b>25.</b> 025	1	2	3	4	5	6	7	8
<b>26.</b> 026	1	2	3	4	5	6	7	8
<b>27.</b> 027	1	2	3	4	5	6	7	8
<b>28.</b> 028	1	2	3	4	5	6	7	8
<b>29.</b> 029	1	2	3	4	5	6	7	8
<b>30.</b> 030	1	2	3	4	5	6	7	8
<b>31.</b> 031	1	2	3	4	5	6	7	8
<b>Section B - VOLUNTARY</b>								
<b>Complete if total purchases of the given type of service are \$500,000 or less.</b>								
<b>32. All countries, total</b> → 032	1	2	3	4	5	6	7	8
<b>BEA USE ONLY</b> 033	1	2	3	4	5	6	7	8

**NOTE** - If total (cross-border) purchases of a given type of service exceed \$500,000, you must complete the MANDATORY section above, and line 32 must be left blank.



**SCHEDULE C - PURCHASES OF FINANCIAL SERVICES FROM  
UNAFFILIATED FOREIGN PERSONS BY U.S. REPORTER**

- Section A is **required** to be completed if your total purchases of financial services exceed \$500,000.
- Section B is **requested** to be completed if your total purchases of financial services are \$500,000 or less.

This schedule covers direct **purchases** from foreigners of financial services by U.S. firms that are **not** financial services intermediaries or providers. For example, financial services purchased directly from foreigners by a U.S. manufacturing firm are covered, but services purchased by a U.S. bank or other U.S. financial services intermediary or provider are not covered.

For a consolidated U.S. enterprise that is comprised of both financial and nonfinancial subsidiaries, this schedule pertains **only** to transactions of the subsidiaries that are not financial services intermediaries or providers. Thus, for example, an auto manufacturer that owns a finance company should complete the financial services questions only for the manufacturing part of the firm.

Although financial services intermediaries are exempt from reporting on this schedule, they must report their purchases and sales of nonfinancial services on the other BE-20 schedules, and must report their purchases and sales of financial services on BEA Form BE-82 (see V. of the General Instructions), as appropriate.

U.S. financial services intermediaries or providers that are exempt from reporting on this schedule are: Depository institutions; nondepository credit institutions; security and commodity brokers, dealers, exchanges, and services providers; insurance carriers and pension funds; insurance agents, brokers, and services providers; investment offices, trusts, oil royalty traders, patent owners and lessors, and real estate investment trusts; and holding companies of financial services intermediaries. This list is similar to the finance and insurance part of Division H in the 1987 Standard Industrial Classification Manual, except that Division H includes all holding companies, not just holding companies of financial services intermediaries.

**Column (3), Credit-related fees** – Include fees for establishing, maintaining, or arranging credits, letters of credit, bankers acceptances, mortgages, factoring services, loan guarantees, etc., that are commonly provided by foreign banking establishments.

Include fees paid directly and fees that are withheld or deducted from your proceeds by the foreign person. For example, for factoring services, the fee may be calculated as the difference between the proceeds you received from the sale of your receivables and the face amount of the receivables sold; for arranging credits, letters of credit, etc., it may be calculated as the difference between the proceeds you received from the loan, letter of credit, etc. (after deduction of the fee) and your liability to the foreign lending establishment. Report credit-related fees in the accounting period in which they are incurred, whether or not expensed in that accounting period.

**Exclude** interest on your obligations, because interest is a payment for the use of loan proceeds and is not a fee for the establishment, maintenance, or arrangement of credit.

**Column (4), Fees on securities transactions** – Include commissions and other fees for securities transactions (including transactions in derivatives) or futures trading, such as brokerage, underwriting, private placements, etc. Fees for such services would commonly be paid to foreign investment banks and securities brokers or dealers.

Include fees that can be calculated from transactions records or other documentation issued by the investment bank or security broker or dealer. Omit, rather than attempt to estimate, these fees if they cannot be calculated, from such documentation. (For example, a dealer's markup on bond purchases and sales cannot be directly estimated from transactions records issued by a securities dealer.)

**Column (5), Fees for other financial services** – Include fees for asset/liability management, debt renegotiation, and other financial services. **Exclude real estate management services.** (Report such services in the BE-20 service category, "Management, consulting, and public relations services.") For entries in this column, describe the type of financial service that accounts for the largest share of the data reported. **Z**

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**SCHEDULE C — PURCHASES OF FINANCIAL SERVICES FROM  
UNAFFILIATED FOREIGN PERSONS BY U.S. REPORTER**  
BE-20, BENCHMARK SURVEY OF SELECTED SERVICES TRANSACTIONS WITH UNAFFILIATED  
FOREIGN PERSONS — 1996

**NOTE** — Total purchases of financial services are calculated as the sum of columns (3) through (5)

PAYMENTS TO	BEA USE ONLY		REPORT IN THOUSANDS OF U.S. DOLLARS		
	(1)	(2)	Credit-related fees (3)	Fees on securities transactions (4)	Fees for other financial services (5)
<b>Section A — MANDATORY</b> Complete if total purchases of financial services exceed \$500,000.					
<b>1. All countries, total</b> → C1001	1	2	3	4	5
2. Australia 002	1	2	3	4	5
3. Belgium 003	1	2	3	4	5
4. Brazil 004	1	2	3	4	5
5. Canada 005	1	2	3	4	5
6. France 006	1	2	3	4	5
7. Germany 007	1	2	3	4	5
8. Hong Kong 008	1	2	3	4	5
9. Israel 009	1	2	3	4	5
10. Italy 010	1	2	3	4	5
11. Japan 011	1	2	3	4	5
12. Luxembourg 012	1	2	3	4	5
13. Mexico 013	1	2	3	4	5
14. Netherlands 014	1	2	3	4	5
15. Philippines 015	1	2	3	4	5
16. Saudi Arabia 016	1	2	3	4	5
17. South Korea 017	1	2	3	4	5
18. Spain 018	1	2	3	4	5
19. Sweden 019	1	2	3	4	5
20. Switzerland 020	1	2	3	4	5
21. Taiwan 021	1	2	3	4	5
22. United Kingdom 022	1	2	3	4	5
23. Venezuela 023	1	2	3	4	5
<b>Other — Specify</b> (Use additional copied sheets as necessary)	1	2	3	4	5
24. 024					
25. 025	1	2	3	4	5
26. 026	1	2	3	4	5
27. 027	1	2	3	4	5
28. 028	1	2	3	4	5
29. 029	1	2	3	4	5
30. 030	1	2	3	4	5
31. 031	1	2	3	4	5
<b>Section B — VOLUNTARY</b> Complete if total purchases of financial services are \$500,000 or less.					
<b>32. All countries, total</b> → 032	1	2	3	4	5
BEA USE ONLY 033	1	2	3	4	5

**NOTE** — If total (cross-border) purchases of all types of financial services combined (the sum of columns 3 through 5) exceed \$500,000, you must complete the MANDATORY section above, and line 32 must be left blank.

FORM  
(10-24-96)**BE-20 - Supplement A**U.S. DEPARTMENT OF COMMERCE  
BUREAU OF ECONOMIC ANALYSIS**SUPPLEMENT A — OPTIONAL CHECKLIST OF SERVICES TRANSACTIONS BETWEEN COMPANY UNIT AND  
UNAFFILIATED FOREIGN PERSONS****BE-20, BENCHMARK SURVEY OF SELECTED SERVICES TRANSACTIONS WITH UNAFFILIATED FOREIGN PERSONS — 1996**

**This checklist is provided with the BE-20 survey for the internal use and convenience of Reporters only and is not to be returned to BEA.**

The purpose of this checklist is to facilitate the determination of whether or not the "parts" or units of a given U.S. company had any of the various services transactions covered by the survey, either sales (receipts) or purchases (payments), with unaffiliated foreign persons during the respondent's fiscal year. (The term "persons" includes business enterprises, governments, individuals, and other organizations and entities.)

For companies with diverse operations, this checklist should be directed to persons in the various parts of the company who are knowledgeable about the parts' sales and purchasing activities and who can say, in their judgement, with a reasonable degree of certainty without conducting a records search, whether or not a part engaged in covered transactions. Because companies organize their operations and accounting systems in different ways, these parts of a company might variously be referred to as profit centers, business units, divisions, subsidiaries, plant sites, establishments, operating centers, etc., or some combination thereof. All parts of the domestic company must be covered, although all need not be given the checklist, since some might already be known by headquarters to have, or not have, reportable transactions.

Definitions of the various types of services are on the reverse side of this checklist. Note that in several cases - advertising; telecommunications; performing arts, etc.; merchanting; miscellaneous disbursements (services numbered 15-21); and rights to natural resources (services numbered 13 and 14) - measures other than, or in addition to, sales of services and purchases of services should be used in completing the checklist.

The guidelines listed below apply to this checklist.

- Both sales and purchases of services should relate to the company's 1996 fiscal year.
- Transactions by the U.S. operations ONLY are covered. Transactions by or with foreign branches or subsidiaries (foreign affiliates) of the U.S. company are NOT covered, NOR are transactions by or with a foreign parent company.
- In reporting purchases, include items meeting the above criteria, without regard to whether they were charged as an expense on the income statement, capitalized, or charged to inventories.
- "Foreign" means that which is situated outside the United States and its territories and possessions. Therefore, transactions with companies located in the United States that have foreign parents are NOT includable; and transactions with foreign affiliates of other U.S. companies ARE includable.
- Foreign persons are considered to be "unaffiliated" if (a) the U.S. company's ownership percentage (direct and indirect) in the foreign person is less than 10 percent or (b) the foreign person's ownership percentage (direct and indirect) in the U.S. company is less than 10 percent. (Questions as to whether a particular foreign company is affiliated or unaffiliated should be referred to the person named in the box below.)
- Reportable transactions are determined by the above criteria, without regard to WHERE the services were performed. For example, services performed abroad by a respondent are covered if the respondent's U.S. operations performed the services instead of a foreign affiliate. Similarly, purchases of services from unaffiliated foreign persons are includable without regard to WHERE such services were performed.

Person in company headquarters to contact concerning questions about this survey.

Name \_\_\_\_\_

**TELEPHONE**

Area code

Number

Extension

**OPTIONAL SALES AND PURCHASES CHECKLIST**

For each service listed, for both sales and purchases, mark (X) "Yes" or "No" as to whether, in your judgement, your part of the company had any transactions with unaffiliated foreign persons during the fiscal year. If the answer is "Yes," enter the estimated amount of the transactions in column (c) (SALES) or column (f) (PURCHASES).

Type of service	SALES (RECEIPTS)			PURCHASES (PAYMENTS)		
	Had any transactions?		Estimated amount Report in dollars (c)	Had any transactions?		Estimated amount Report in dollars (f)
	Yes (a)	No (b)		Yes (d)	No (e)	
1. Agricultural services						
2. Research, development, and testing services						
3. Management, consulting, and public relations services						
4. Management of health care facilities						
5. Accounting, auditing, and bookkeeping services						
6. Legal services						
7. Educational and training services						
8. Mailing, reproduction, and commercial art						
9. Employment agencies and temporary help supply services						
10. Industrial engineering services						
11. Industrial-type maintenance, installation, alteration, and training services						
12. Performing arts, sports, and other live performances, presentations, and events						
13. Purchase or sale of rights to natural resources, and lease bonus payments						
14. Use or lease of rights to natural resources, excluding lease bonus payments						
15. Disbursements to fund news-gathering costs of broadcasters						
16. Disbursements to fund news-gathering costs of print media						
17. Disbursements to fund production costs of motion pictures						
18. Disbursements to fund production costs of broadcast program material other than news						
19. Disbursements to maintain government tourism and business promotion offices						
20. Disbursements for sales promotion and representation						
21. Disbursements to participate in foreign trade shows			Not reportable			
22. Premiums paid on primary insurance			Not reportable			
23. Losses recovered on primary insurance			Not reportable			
24. Construction, engineering, architectural, and mining services			Not reportable			
25. Merchanting services				Not reportable		
26. Financial services			Not reportable			
27. Advertising services						
28. Computer and data processing services						
29. Data base and other information services						
30. Telecommunications services						
31. Operational leasing services						
32. Other private services						



## DEFINITIONS OF TYPES OF SERVICES

- 1. Agricultural services** – Soil preparation services, crop services, veterinary and other animal services, farm labor and management services, and landscape and horticultural services.
- 2. Research, development, and testing services** – Commercial and noncommercial research, product development services, and testing services. Include fees for the conduct of experiments or performance of research and development activities aboard spacecraft. Excludes medical and dental laboratory services.
- 3. Management, consulting, and public relations services** – Management services, except management of health care facilities (see service number 4); consulting services, except consulting engineering services related to actual or proposed construction or mining services projects (see service number 24) and computer consulting (see service number 28); and public relations services, except those that are an integral part of an advertising campaign (see service number 27).
- 4. Management of health care facilities** – Management of hospitals, nursing homes, and other health care facilities.
- 5. Accounting, auditing, and bookkeeping services** – Excludes data processing and tabulating services (see service number 28).
- 6. Legal services** – Legal advice or other legal services. Insurance companies should include fees for claim adjustment expenses.
- 7. Educational and training services** – Educational or training services provided on a contract or fee basis. Excludes tuition and fees charged to individual U.S. and foreign students by educational institutions. Also excludes training done by a manufacturer in connection with the sale of a good (see service number 11).
- 8. Mailing, reproduction, and commercial art** – Direct mail advertising services; mailing services, such as remailing services in connection with direct mail advertising; commercial photography, art, and graphic services; address list compilation; and stenographic services.
- 9. Employment agencies and temporary help supply services** – Employment services and provision of temporary help and personnel to perform services on a contract or fee basis. Where workers are carried on the payroll of the agency, includes amounts received or paid for the compensation of workers as well as agency fees.
- 10. Industrial engineering services** – Engineering services related to the design of movable products, including product design services. Includes services performed with the assistance of computers, such as computer-assisted design work. Excludes engineering and architectural services that relate to immovable products, such as those that relate to actual or proposed construction or mining services projects (see service number 24).
- 1. Industrial-type maintenance and repair, installation, alteration, and training services** – Maintenance services primarily to machinery and equipment. May also include small maintenance work on buildings, structures, dams, highways, etc., but only to the extent that the work is not reportable under item 24. Would include such services as the periodic overhaul of turbines, the extinguishment of natural gas well fires, and refinery maintenance. Excludes computer maintenance and repair (see service number 28). Installation and training services include only installation, startup, and training services provided by a manufacturer in connection with the sale of a good. Do not include such services where the cost is included in the price of the goods and not separately billed, or is declared as a part of the price of the goods on the import or export declaration filed with the U.S. Customs Service; however, services provided at a price over and above that entered on the declaration should be included. These services would be reported elsewhere if not received in connection with the purchase of goods. For example, installation of machinery and equipment is normally considered a construction activity, and training personnel in the use of new machinery would ordinarily be reported as an educational or training service.
- 2. Performing arts, sports, and other live performances, presentations, and events** – Fees received (net of allowances for foreign expenses) or paid (net of allowances for U.S. expenses) for performing arts, sports, etc. To be reported by (a) U.S. management companies, booking agents, promoters, and presenters who received funds from or paid funds to foreign persons, for performances and events, and (b) U.S. performers who received funds directly from a foreign person rather than through a U.S. management company or similar entity. (As used here, "performers" means entertainers, sports teams, orchestras, dance companies, lecturers, and similar persons or performing groups.)
- 3. Sale or purchase of rights to natural resources, and lease bonus payments** – Receipts from the sale of, or payments for the acquisition of, rights to natural resources located in the United States and abroad, and lease bonus payments. Excludes sales or purchases of rights to surface land.
- 14. Use or lease of rights to natural resources, excluding lease bonus payments** – Receipts or payments for the use of rights to natural resources located in the United States and abroad, including oil or mining production royalties. Excludes lease bonus payments (see service number 13) and sales or purchases of rights to surface land.
- 15-21. Miscellaneous disbursements** – Disbursements or outlays to fund news-gathering costs of broadcasters and the print media; production costs of motion picture companies and companies engaged in the production of broadcast program material other than news; commissions and "finder's fees" to independent agents; and costs of maintaining tourism, business promotion, and representative offices, and for participating in foreign trade shows.
- 22. Premiums paid on primary insurance** – Applies only to insurance purchased from foreign insurance carriers. Equals premiums paid minus cancellations. Excludes reinsurance transactions.
- 23. Losses recovered on primary insurance** – Applies only to claims recovered on purchases of primary insurance from foreign insurance carriers.
- 24. Construction, engineering, architectural, and mining services** – Covers only **purchases** of the following types of services: Services of general contractors in the fields of building and heavy construction; construction work by special trade contractors, such as the erection of structural steel for bridges and buildings and on-site electrical work; architectural, engineering, and land-surveying services; and mining services, including oil and gas field services. Includes only those engineering services purchased in conjunction with construction and mining services projects; industrial engineering services, such as product design services, should be reported under service number 10. Includes services purchased in connection with proposed projects (e.g., feasibility studies) as well as projects that are actually being carried out.
- 25. Merchancing services** – Sales of merchancing services are equal to the **difference** between your cost and the resale price of goods (such as crude oil, grain, and other commodities) that are both purchased and resold abroad; that is, the goods are neither imported to, nor exported from, the United States, and they do not undergo significant processing during the time between when they are purchased and resold. Without regard to whether the goods were initially purchased from an affiliated or unaffiliated foreign person, includes only transactions where the goods were resold to an unaffiliated foreign person.
- 26. Financial services** – Purchases from foreigners of financial services by U.S. firms, or domestic subsidiaries of U.S. firms, that are **not** financial services intermediaries or providers. Includes credit-related fees, fees on securities transactions, and fees for other financial services.
- 27. Advertising services** – Preparation of advertising and placement of such advertising in media, including charges for media space and time. An advertising agency selling services should use **gross billings** to unaffiliated foreigners in completing the checklist.
- 28. Computer and data processing services** – Data entry, processing (both batch and remote), and tabulation; computer systems analysis, design, and engineering; custom software and programming services; rights to distribute general use software, and rights to reproduce or use general use software that was electronically transmitted or made by the customer from a master copy (exclude purchases and sales of prepackaged computer software physically shipped to or from the United States); integrated hardware/software systems; and other computer services (e.g., timesharing, maintenance, and repair). Exclude operational leasing of computer and data processing equipment, which should be reported under service number 31.
- 29. Data base and other information services** – Business and economic data base services, including business news, stock quotation, and financial information services; medical, legal, technical, demographic, bibliographic, and similar data base services; general news services, such as those purchased from a news syndicate; and other information services, including reservation systems and credit reporting systems. For airline reservation systems, include booking fees from foreign carriers for the use of your reservation system, whether accessed directly or by a U.S. or foreign travel agent.
- 30. Telecommunications services** – Includes services of the following type: (1) Message telephone services; (2) private leased channel services; (3) telex, telegram, and other jointly-provided (basic) services; (4) value-added (enhanced) services; and (5) support services.
- 31. Operational leasing services** – Includes rentals for computer and data processing equipment; transportation equipment (such as ships, aircraft, railway cars, containers, rigs, automobile fleets, etc.) **without** crew or operators; and all other machinery and equipment. Excludes rentals under leases that have been capitalized (capital leases), rentals of transportation equipment **with** crew, and rentals of any items other than machinery and equipment. (For example, excludes rentals of office buildings and other real estate, film rentals, and employee leasing.)
- 32. Other private services** – Includes transactions in only the following types of services: Language translation services, security services, collection services, actuarial services, salvage services, satellite photography services, and oil spill and toxic waste cleanup services; i.e., this category **excludes** transactions in services not on this list.





**SCHEDULE D — SALES OF ADVERTISING SERVICES BY U.S. REPORTER**  
**BE-20, BENCHMARK SURVEY OF SELECTED SERVICES**  
**TRANSACTIONS WITH UNAFFILIATED FOREIGN PERSONS — 1996****INSTRUCTIONS**

- Section A is **required** to be completed if your total sales of advertising services to unaffiliated foreign persons exceed \$500,000.
- Section B is **requested** to be completed if your total sales of advertising services to unaffiliated foreign persons are \$500,000 or less.

This schedule is to be completed only by advertising and media firms.

Columns (3) and (4) are to be completed by U.S. Reporters that are advertising agencies (or that include such an agency within the consolidated reporting entity, in which case the columns are to be completed with reference only to the transactions of the agency). Sales by media companies (e.g., broadcasters, publishers, etc.) that are arranged through U.S. advertising agencies are presumed to be reflected in billings of the advertising agencies; thus, in order to avoid duplication, they should not be reported by the media suppliers. U.S. advertising agencies should report only direct transactions with unaffiliated foreign clients. Exclude transactions that are with the U.S. affiliates of foreign clients, rather than directly with foreign clients; such transactions are considered domestic (U.S.-to-U.S.) and are, therefore, outside the scope of the survey.

Report gross billings to unaffiliated foreign clients and gross income from sales to unaffiliated foreign clients. **Gross billings** include all charges to clients, whether for media space and time, outside purchases (of photography, art work, etc.) made on behalf of clients, or charges for inside services (i.e., services performed inside the agency by the agency's own employees). **Gross income** includes agency commissions, charges for outside services, and charges for inside services; it excludes charges for media space and time. Both measures exclude charges for services other than advertising, such as public relations services or market research not directly associated with an advertising campaign. Such services should be reported on Schedule A.

Column (5) of this schedule is to be completed only by media companies, such as broadcasters and publishers, or companies that include a media company within the consolidated reporting entity, to report direct sales of advertising services to unaffiliated foreign persons, including foreign advertising agencies.

For each column, indicate the value of reciprocal exchanges (that is, transactions involving barter) at market rates, not at the actual costs of performing the services. For services provided to you under these arrangements, complete the BE-20 schedules (e.g., Schedule B) pertaining to the types of services purchased, as appropriate. Value the purchases reported on the other BE-20 schedules at the same amounts as the sales reported on this schedule.



**SCHEDULE E — SALES OF COMPUTER AND DATA PROCESSING SERVICES BY U.S. REPORTER**  
**BE-20, BENCHMARK SURVEY OF SELECTED SERVICES TRANSACTIONS WITH UNAFFILIATED**  
**FOREIGN PERSONS — 1996**

**NOTE** — Total sales of computer and data processing services are calculated as the sum of columns (3) through (7).

**U.S. REPORTER'S SALES TO UNAFFILIATED FOREIGN PERSONS**

RECEIPTS FROM		BEA USE ONLY		REPORT IN THOUSANDS OF U.S. DOLLARS					
				Data entry, processing, and tabulation	Computer systems analysis, design, engineering, and custom programming	General use computer software royalties and license fees	Integrated hardware/software systems	Other computer services*	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	
<b>Section A — MANDATORY</b> Complete if total sales of computer and data processing services exceed \$500,000.									
<b>1. All countries, total</b> →	E1001	1	2	3	4	5	6	7	
2. Australia	002	1 601	2	3	4	5	6	7	
3. Belgium	003	1 302	2	3	4	5	6	7	
4. Brazil	004	1 202	2	3	4	5	6	7	
5. Canada	005	1 100	2	3	4	5	6	7	
6. France	006	1 307	2	3	4	5	6	7	
7. Germany	007	1 308	2	3	4	5	6	7	
8. Hong Kong	008	1 611	2	3	4	5	6	7	
9. Israel	009	1 504	2	3	4	5	6	7	
10. Italy	010	1 314	2	3	4	5	6	7	
11. Japan	011	1 614	2	3	4	5	6	7	
12. Luxembourg	012	1 316	2	3	4	5	6	7	
13. Mexico	013	1 213	2	3	4	5	6	7	
14. Netherlands	014	1 319	2	3	4	5	6	7	
15. Philippines	015	1 628	2	3	4	5	6	7	
16. Saudi Arabia	016	1 611	2	3	4	5	6	7	
17. South Korea	017	1 626	2	3	4	5	6	7	
18. Spain	018	1 323	2	3	4	5	6	7	
19. Sweden	019	1 324	2	3	4	5	6	7	
20. Switzerland	020	1 325	2	3	4	5	6	7	
21. Taiwan	021	1 628	2	3	4	5	6	7	
22. United Kingdom	022	1 327	2	3	4	5	6	7	
23. Venezuela	023	1 219	2	3	4	5	6	7	
<b>Other — Specify</b> (Use additional copied sheets as necessary)		1	2	3	4	5	6	7	
24.	024								
25.	025	1	2	3	4	5	6	7	
26.	026	1	2	3	4	5	6	7	
27.	027	1	2	3	4	5	6	7	
28.	028	1	2	3	4	5	6	7	
29.	029	1	2	3	4	5	6	7	
30.	030	1	2	3	4	5	6	7	
31.	031	1	2	3	4	5	6	7	
<b>Section B — VOLUNTARY</b> Complete if total sales of computer and data processing services are \$500,000 or less.									
<b>32. All countries, total</b> →	032	1 709	2	3	4	5	6	7	
<b>BEA USE ONLY</b>	033	1	2	3	4	5	6	7	

\*Indicate on a separate sheet, referenced to this category, the nature of any services reported in this column.



**SCHEDULE E — SALES OF COMPUTER AND DATA PROCESSING SERVICES BY U.S. REPORTER****BE-20, BENCHMARK SURVEY OF SELECTED SERVICES  
TRANSACTIONS WITH UNAFFILIATED FOREIGN PERSONS — 1996****INSTRUCTIONS**

- Section A is **required** to be completed if your total sales of computer and data processing services to unaffiliated foreign persons exceed \$500,000.
- Section B is **requested** to be completed if your total sales of computer and data processing services to unaffiliated foreign persons are \$500,000 or less.

Complete this schedule if, during the reporting period, you had receipts from unaffiliated foreign persons for computer or data processing services.

**Column (3), Data entry, processing, and tabulation** – Include both batch and remote processing services.

**Column (4), Computer systems analysis, design, engineering, and custom programming**

**Column (5), General use computer software royalties and license fees** – Include receipts for the rights to distribute general use software, and rights to reproduce or use general use computer software that was electronically transmitted or made by your customer from a master copy. Thus, this item includes negotiated licensing fees from customers who reproduced copies of your general use software for their local area network computer systems, and excludes the value of prepackaged general use software that was physically shipped from the United States and included in U.S. merchandise trade statistics. Exclude royalties and fees related to custom programming (reportable in column (4)).

**Column (6), Integrated hardware/software systems** – Include systems consisting of purchased computers and peripheral equipment that are then matched with software products or custom software in order to provide complete information systems for customers. (However, see the discussion of services bundled with goods in I.C.5 of the General Instructions.) Do not include hardware manufactured by the seller of the integrated system.

**Column (7), Other computer services** – Include timesharing, maintenance, repair, etc. However, report the leasing of computer and data processing equipment on Schedule H, Operational Leasing Services.

Exclude computer or data processing services incidental to the performance of other services, such as accounting, product design, mailing services, data base and other information services, etc. Such services are to be reported on other BE-20 schedules.

**SCHEDULE F — SALES OF DATA BASE AND OTHER INFORMATION SERVICES BY U.S. REPORTER**  
**BE-20, BENCHMARK SURVEY OF SELECTED SERVICES TRANSACTIONS WITH UNAFFILIATED**  
**FOREIGN PERSONS — 1996**

**NOTE** — Total sales of data base and other information services are calculated as the sum of columns (3) through (6).

**U.S. REPORTER'S SALES TO UNAFFILIATED FOREIGN PERSONS**

RECEIPTS FROM		BEA USE ONLY		REPORT IN THOUSANDS OF U.S. DOLLARS			
				Business and economic data base services	Medical, legal, technical, demographic, bibliographic, and similar data base services	General news services	Other information services*
(1)	(2)						
<b>Section A — MANDATORY</b> Complete if total sales of data base and other information services exceed \$500,000.							
<b>1. All countries, total</b> → F1001	1	2	3	4	5	6	
2. Australia 002	1	2	3	4	5	6	
3. Belgium 003	1	2	3	4	5	6	
4. Brazil 004	1	2	3	4	5	6	
5. Canada 005	1	2	3	4	5	6	
6. France 006	1	2	3	4	5	6	
7. Germany 007	1	2	3	4	5	6	
8. Hong Kong 008	1	2	3	4	5	6	
9. Israel 009	1	2	3	4	5	6	
10. Italy 010	1	2	3	4	5	6	
11. Japan 011	1	2	3	4	5	6	
12. Luxembourg 012	1	2	3	4	5	6	
13. Mexico 013	1	2	3	4	5	6	
14. Netherlands 014	1	2	3	4	5	6	
15. Philippines 015	1	2	3	4	5	6	
16. Saudi Arabia 016	1	2	3	4	5	6	
17. South Korea 017	1	2	3	4	5	6	
18. Spain 018	1	2	3	4	5	6	
19. Sweden 019	1	2	3	4	5	6	
20. Switzerland 020	1	2	3	4	5	6	
21. Taiwan 021	1	2	3	4	5	6	
22. United Kingdom 022	1	2	3	4	5	6	
23. Venezuela 023	1	2	3	4	5	6	
<b>Other — Specify</b> (Use additional copied sheets as necessary)							
24.	024	1	2	3	4	5	6
25.	025	1	2	3	4	5	6
26.	026	1	2	3	4	5	6
27.	027	1	2	3	4	5	6
28.	028	1	2	3	4	5	6
29.	029	1	2	3	4	5	6
30.	030	1	2	3	4	5	6
31.	031	1	2	3	4	5	6
<b>Section B — VOLUNTARY</b> Complete if total sales of data base and other information services are \$500,000 or less.							
<b>32. All countries, total</b> → 032	1	2	3	4	5	6	
BEA USE ONLY 033	1	2	3	4	5	6	

\*Indicate on a separate sheet, referenced to this category, the nature of any services reported in this column.

**SCHEDULE F — SALES OF DATA BASE AND OTHER INFORMATION SERVICES BY U.S. REPORTER**  
**BE-20, BENCHMARK SURVEY OF SELECTED SERVICES**  
**TRANSACTIONS WITH UNAFFILIATED FOREIGN PERSONS — 1996**

**INSTRUCTIONS**

- Section A is **required** to be completed if your total sales of data base and other information services to unaffiliated foreign persons exceed \$500,000.
- Section B is **requested** to be completed if your total sales of data base and other information services to unaffiliated foreign persons are \$500,000 or less.

Report on this schedule receipts from unaffiliated foreign persons for data base or other information services, including receipts for access to your on-line data bases.

Providers of Internet backbone services should report their transactions on Schedule G as telecommunications services, rather than on this schedule as information services, because they provide communications services that allow users access to other persons' data bases, and do not maintain a data base, or provide information services, themselves.

**Column (3), Business and economic data base services** – General business and economic data base services, including business news services, stock quotation services, and financial information services.

**Column (4), Medical, legal, technical, demographic, bibliographic, and similar data base services**

**Column (5), General news services** – News services, such as those provided by a news syndicate. May include general business news but excludes news services that are primarily of a business nature, which should be reported in column (3).

**Column (6), Other information services** – Includes airline, hotel, automobile rental, and other reservation systems; credit reporting and authorization systems; and other information services. For airline reservation systems, include booking fees from each foreign carrier for the use of your reservation system, whether a foreign carrier directly accessed it or accessed it only through a U.S. or foreign travel or booking agent.

Report only the charge for the use of the data base or information service itself, and only where a separate, explicit charge is made for such use. In instances where the charge for use of the data base is not explicit, but is subsumed in the charge for some other service, such as fees for economic forecasting services, do not report the charge on this schedule. If, however, the other service is covered by another schedule, the charges should be included on that schedule.



**SCHEDULE G — RECEIPTS AND PAYMENTS FOR TELECOMMUNICATIONS SERVICES  
BY U.S. REPORTER****BE-20, BENCHMARK SURVEY OF SELECTED SERVICES  
TRANSACTIONS WITH UNAFFILIATED FOREIGN PERSONS — 1996****INSTRUCTIONS**

- Section A of Part I (or Part II) is **required** to be completed if your total sales (or total purchases) of telecommunications services to (or from) unaffiliated foreign persons exceed \$500,000.
- Section B of Part I (or Part II) is **requested** to be completed if your total sales (or total purchases) of telecommunications services to (or from) unaffiliated foreign persons are \$500,000 or less.

**Column (3), Message telephone services and Column (5), Telex, telegram, cable, and other jointly provided (basic) services** – In Part I of this schedule, report receipts from foreign persons (including communications companies; postal, telephone, and telegraph agencies [PTT's]; users of wireless communication services; etc.) for your share of revenues for transmitting messages (including voice, data, video, images, etc.) originating abroad to or through U.S. destinations, or between foreign points. In Part II, report payouts to foreign persons for transmitting messages originating in, or routed through, the United States to foreign destinations. Report receipts and payments separately. (For example, for messages originating in a Caribbean country routed through the United States to Western Europe, report separately your receipts from the Caribbean country where the messages originated in Part I, and payouts to the country of destination in Part II.) Column (5) includes telex and telegram services, packet switched services when not offered in connection with enhanced services, and other regulated services of the type generally reportable to the FCC on Report 43.61 as facilities based or facilities resale services. If services above and beyond message transport services are provided, report your transactions in Column (6) of Part I or Part II, as appropriate, instead of in column (3) or (5).

**Column (4), Private leased channel services** – In Part I, report receipts from foreign persons for circuits and channels terminating in the United States and for circuits and channels between foreign points. In Part II, report payouts to foreign persons (communications companies and PTT's) for leased channels and circuits terminating in foreign countries.

**Column (6), Value-added (enhanced) services** – Telecommunications services that add value or function above and beyond the telecommunications transport services that deliver the value-added services to end users. They can include (a) electronic mail, voice mail, and code and protocol processing; (b) facsimile services and videoconferencing; (c) Internet connections (including Internet backbone and router services); and (d) other value-added services. Facsimile services and videoconferencing should be considered as value-added only if the company provides the facilities and equipment. A company that provides solely the telecommunications transmission for these services should report receipts and payouts under column (3) or (4).

**Column (7), Support services** – Services related to the maintenance and repair of telecommunications equipment; ground station services (where the ground station is not an "affiliate"); capacity leasing for transiting; and launching of communications satellites.

**NOTES** – For each column, include the value of reciprocal exchanges; i.e., transactions involving barter. In Part I, value your sales to the foreign participant in the reciprocal exchange at market rates, not at the actual cost of performing the services. In Part II, value your purchases from the foreign participant at the same amounts as the sales reported in Part I of this schedule.

Receipts or payments by communications carriers to secure capacity by indefeasible rights of users (IRU's) are not to be reported on this schedule; they are to be reported on separate Form BE-93.

Report columns (3), (4), and (5) on a settlements basis.

BEA USE ONLY Control number

G1

**SCHEDULE G — RECEIPTS AND PAYMENTS FOR TELECOMMUNICATIONS SERVICES BY U.S. REPORTER**  
**BE-20, BENCHMARK SURVEY OF SELECTED SERVICES TRANSACTIONS WITH UNAFFILIATED**  
**FOREIGN PERSONS — 1996**

**NOTE** — Total sales of telecommunications services are calculated as the sum of columns (3) through (7) of Part I.

**PART I U.S. REPORTER'S RECEIPTS FROM, OR SALES TO, UNAFFILIATED FOREIGN PERSONS**

RECEIPTS FROM		BEA USE ONLY		REPORT IN THOUSANDS OF U.S. DOLLARS				
		(1)	(2)	Message telephone services (3)	Private leased channel services (4)	Telex, telegram, and other jointly-provided (basic) services (5)	Value added (enhanced) services* (6)	Support services* (7)
<b>Section A — MANDATORY</b> Complete if total sales of telecommunications services exceed \$500,000.								
<b>1. All countries, total</b> →	G1001	1	2	3	4	5	6	7
<b>2. Australia</b>	002	1	2	3	4	5	6	7
<b>3. Belgium</b>	003	1	2	3	4	5	6	7
<b>4. Brazil</b>	004	1	2	3	4	5	6	7
<b>5. Canada</b>	005	1	2	3	4	5	6	7
<b>6. France</b>	006	1	2	3	4	5	6	7
<b>7. Germany</b>	007	1	2	3	4	5	6	7
<b>8. Hong Kong</b>	008	1	2	3	4	5	6	7
<b>9. Israel</b>	009	1	2	3	4	5	6	7
<b>10. Italy</b>	010	1	2	3	4	5	6	7
<b>11. Japan</b>	011	1	2	3	4	5	6	7
<b>12. Luxembourg</b>	012	1	2	3	4	5	6	7
<b>13. Mexico</b>	013	1	2	3	4	5	6	7
<b>14. Netherlands</b>	014	1	2	3	4	5	6	7
<b>15. Philippines</b>	015	1	2	3	4	5	6	7
<b>16. Saudi Arabia</b>	016	1	2	3	4	5	6	7
<b>17. South Korea</b>	017	1	2	3	4	5	6	7
<b>18. Spain</b>	018	1	2	3	4	5	6	7
<b>19. Sweden</b>	019	1	2	3	4	5	6	7
<b>20. Switzerland</b>	020	1	2	3	4	5	6	7
<b>21. Taiwan</b>	021	1	2	3	4	5	6	7
<b>22. United Kingdom</b>	022	1	2	3	4	5	6	7
<b>23. Venezuela</b>	023	1	2	3	4	5	6	7
<b>Other — Specify</b> (Use additional copied sheets as necessary)		1	2	3	4	5	6	7
<b>24.</b>	024	1	2	3	4	5	6	7
<b>25.</b>	025	1	2	3	4	5	6	7
<b>26.</b>	026	1	2	3	4	5	6	7
<b>27.</b>	027	1	2	3	4	5	6	7
<b>28.</b>	028	1	2	3	4	5	6	7
<b>29.</b>	029	1	2	3	4	5	6	7
<b>30.</b>	030	1	2	3	4	5	6	7
<b>31.</b>	031	1	2	3	4	5	6	7
<b>Section B — VOLUNTARY</b> Complete if total sales of telecommunications services are \$500,000 or less.								
<b>32. All countries, total</b> →	032	1	2	3	4	5	6	7
<b>BEA USE ONLY</b>	033	1	2	3	4	5	6	7

\*Indicate on a separate sheet, referenced to this category, the nature of any services reported in these columns.



**SCHEDULE G — RECEIPTS AND PAYMENTS FOR TELECOMMUNICATIONS SERVICES  
BY U.S. REPORTER — Continued****BE-20, BENCHMARK SURVEY OF SELECTED SERVICES TRANSACTIONS WITH UNAFFILIATED  
FOREIGN PERSONS — 1996****NOTE** — Total purchases of telecommunications services are calculated as the sum of columns (3) through (7) of Part II.**PART II U.S. REPORTER'S PAYOUTS TO, OR PURCHASES FROM, UNAFFILIATED FOREIGN PERSONS**

PAYMENTS TO		BEA USE ONLY		REPORT IN THOUSANDS OF U.S. DOLLARS				
				Message telephone services	Private leased channel services	Telex, telegram, and other jointly-provided (basic) services	Value added (enhanced) services*	Support services*
				(3)	(4)	(5)	(6)	(7)
<b>Section A — MANDATORY</b> Complete if total sales of telecommunications services exceed \$500,000.								
1. All countries, total →	K1001	1	2	3	4	5	6	7
2. Australia	002	1 601	2	3	4	5	6	7
3. Belgium	003	1 302	2	3	4	5	6	7
4. Brazil	004	1 202	2	3	4	5	6	7
5. Canada	005	1 100	2	3	4	5	6	7
6. France	006	1 307	2	3	4	5	6	7
7. Germany	007	1 308	2	3	4	5	6	7
8. Hong Kong	008	1 611	2	3	4	5	6	7
9. Israel	009	1 504	2	3	4	5	6	7
10. Italy	010	1 314	2	3	4	5	6	7
11. Japan	011	1 614	2	3	4	5	6	7
12. Luxembourg	012	1 316	2	3	4	5	6	7
13. Mexico	013	1 213	2	3	4	5	6	7
14. Netherlands	014	1 319	2	3	4	5	6	7
15. Philippines	015	1 623	2	3	4	5	6	7
16. Saudi Arabia	016	1 511	2	3	4	5	6	7
17. South Korea	017	1 626	2	3	4	5	6	7
18. Spain	018	1 323	2	3	4	5	6	7
19. Sweden	019	1 324	2	3	4	5	6	7
20. Switzerland	020	1 325	2	3	4	5	6	7
21. Taiwan	021	1 628	2	3	4	5	6	7
22. United Kingdom	022	1 327	2	3	4	5	6	7
23. Venezuela	023	1 219	2	3	4	6	6	7
Other — Specify (Use additional copied sheets as necessary)		1	2	3	4	5	6	7
24.	024							
25.	025	1	2	3	4	5	6	7
26.	026	1	2	3	4	5	6	7
27.	027	1	2	3	4	5	6	7
28.	028	1	2	3	4	5	6	7
29.	029	1	2	3	4	5	6	7
30.	030	1	2	3	4	5	6	7
30.	030	1	2	3	4	5	6	7
<b>Section B — VOLUNTARY</b> Complete if total sales of telecommunications services are \$500,000 or less.								
32. All countries, total →	032	1	2	3	4	5	6	7
			709					
BEA USE ONLY	033	1	2	3	4	5	6	7

\*Indicate on a separate sheet, referenced to this category, the nature of any services reported in these columns.



BEA USE ONLY

Control number

H

**SCHEDULE H — SALES OF OPERATIONAL LEASING SERVICES TO  
UNAFFILIATED FOREIGN PERSONS BY U.S. REPORTER**  
**BE-20, BENCHMARK SURVEY OF SELECTED SERVICES TRANSACTIONS WITH UNAFFILIATED  
FOREIGN PERSONS — 1996**

RECEIPTS FROM		BEA USE ONLY		REPORT IN THOUSANDS OF U.S. DOLLARS		
		(1)	(2)	(3)	(4)	(5)
				Rentals of computer and data processing equipment	Rentals of transportation equipment (without crew)	Rentals of other machinery and equipment*
<b>Section A — MANDATORY</b>						
<b>Complete if total sales of operational leasing services exceed \$500,000.</b>						
<b>1. All countries, total</b> →	H1001	1	2	3	4	5
<b>2. Australia</b>	002	1	2	3	4	5
<b>3. Belgium</b>	003	1	2	3	4	5
<b>4. Brazil</b>	004	1	2	3	4	5
<b>5. Canada</b>	005	1	2	3	4	5
<b>6. France</b>	006	1	2	3	4	5
<b>7. Germany</b>	007	1	2	3	4	5
<b>8. Hong Kong</b>	008	1	2	3	4	5
<b>9. Israel</b>	009	1	2	3	4	5
<b>10. Italy</b>	010	1	2	3	4	5
<b>11. Japan</b>	011	1	2	3	4	5
<b>12. Luxembourg</b>	012	1	2	3	4	5
<b>13. Mexico</b>	013	1	2	3	4	5
<b>14. Netherlands</b>	014	1	2	3	4	5
<b>15. Philippines</b>	015	1	2	3	4	5
<b>16. Saudi Arabia</b>	016	1	2	3	4	5
<b>17. South Korea</b>	017	1	2	3	4	5
<b>18. Spain</b>	018	1	2	3	4	5
<b>19. Sweden</b>	019	1	2	3	4	5
<b>20. Switzerland</b>	020	1	2	3	4	5
<b>21. Taiwan</b>	021	1	2	3	4	5
<b>22. United Kingdom</b>	022	1	2	3	4	5
<b>23. Venezuela</b>	023	1	2	3	4	5
<b>Other — Specify</b> (Use additional copied sheets as necessary)		1	2	3	4	5
<b>24.</b>	024					
<b>25.</b>	025	1	2	3	4	5
<b>26.</b>	026	1	2	3	4	5
<b>27.</b>	027	1	2	3	4	5
<b>28.</b>	028	1	2	3	4	5
<b>29.</b>	029	1	2	3	4	5
<b>30.</b>	030	1	2	3	4	5
<b>31.</b>	031	1	2	3	4	5
<b>Section B — VOLUNTARY</b>						
<b>Complete if total sales of operational leasing services are \$500,000 or less.</b>						
<b>32. All countries, total</b> →	032	1	2	3	4	5
<b>BEA USE ONLY</b>	033	1	2	3	4	5

\*Indicate on a separate sheet, referenced to this category, the nature of any services reported in this column.

**SCHEDULE H — SALES OF OPERATIONAL LEASING SERVICES BY U.S. REPORTER**  
**BE-20, BENCHMARK SURVEY OF SELECTED SERVICES**  
**TRANSACTIONS WITH UNAFFILIATED FOREIGN PERSONS — 1996**


**INSTRUCTIONS**

- Section A is **required** to be completed if your total sales of operational leasing services exceed \$500,000.
- Section B is **requested** to be completed if your total sales of operational leasing services are \$500,000 or less.

This schedule covers the U.S. Reporter's receipts as a lessor of machinery or equipment under the terms of operational leases; that is, it excludes receipts for rentals under leases that have been capitalized. Disaggregate as follows, based upon the type of machinery or equipment being leased:

**Column (3), Rentals of computer and data processing equipment** – Report receipts for the rental of computer hardware, or for the rental of hardware and peripheral equipment matched with software products or custom software to provide a complete information system for customers. Exclude sales of timesharing (see Schedule E, Sales of Computer and Data Processing Services). (However, see the discussion of bundling of services in I.C.5 of the General Instructions.)

**Column (4), Rentals of transportation equipment (without crew)** – Report receipts from rentals of transportation equipment (such as ships, aircraft, railway cars, containers, rigs, automobile fleets, etc.) **without** crew or operators. (If both the transportation equipment and operators are provided, then the fee is considered to be for transportation services, which are not subject to reporting on this survey but may be reportable on other BEA forms – see V. of the General Instructions.)

**Column (5), Rentals of other machinery and equipment** – Report receipts from rentals of types of machinery or equipment other than those reported in columns (3) and (4), such as furniture, coin-operated machines, construction equipment (without operators), oil field equipment (without operators), and electronic equipment except computers. (Rental of construction or oil field equipment **with** operators is covered on BEA Form BE-47.) Do not report rentals of items other than machinery or equipment. For example, do not report rentals of office buildings and other real estate, film rentals, and employee leasing. For entries in this column, identify the type of machinery or equipment that accounts for the largest share of the data reported. 

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FORM **BE-22** U.S. DEPARTMENT OF COMMERCE  
(9-16-97) BUREAU OF ECONOMIC ANALYSIS**MANDATORY  
CONFIDENTIAL**  
**ANNUAL SURVEY OF SELECTED  
SERVICES TRANSACTIONS WITH  
UNAFFILIATED FOREIGN  
PERSONS**MAIL  
REPORTS  
TOU.S. Department of Commerce  
Bureau of Economic Analysis  
BE-50(SSB)  
Washington, DC 20230

OR

DELIVER  
REPORTS  
TOU.S. Department of Commerce  
Bureau of Economic Analysis  
BE-50(SSB)  
Shipping and Receiving Section M-100  
1441 L Street, NW  
Washington, DC 20005

Public reporting burden for this collection of information is estimated to vary from 4 to 500 hours per response, with an average of 11.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate, including suggestions for reducing this burden, to Director, Bureau of Economic Analysis (BE-1), U.S. Department of Commerce, Washington, DC 20230; and to the Office of Management and Budget, Paperwork Reduction Project 0608-0060, Washington, DC 20503.

**BEA USE ONLY**

Control number

**Part I NAME, ADDRESS, AND DETERMINATION OF REPORTING STATUS****1. Name and principal address of U.S. Reporter – Enter or correct as necessary.****Assistance** – Telephone (202) 606-5588 during office  
hours – 8:00 a.m. to 4:00 p.m. eastern time.**Due date** – A completed BE-22 is due on March 31 of the  
calendar year following the one in which the  
U.S. Reporter's fiscal year ends.

**WHAT TO FILE** – All persons who receive this form must complete Part I, and the "Person to Consult" and "Certification" blocks below. Reporters subject to the mandatory reporting requirement must also complete Part II and the mandatory section(s) of the appropriate schedule(s). Reporters that elect to voluntarily report data must complete Part II and the voluntary section(s) of the appropriate schedule(s). Recipients of this form that are exempt from reporting must complete the exemption claim on page 2. TO DETERMINE REPORTING STATUS, PLEASE READ THE ATTACHED **GENERAL INSTRUCTIONS**.

**BEA USE ONLY****2. Determination of reporting status**

If a U.S. person's total transactions (either sales or purchases) with unaffiliated foreign persons in any of the types of services listed on pages iv - v of the General Instructions exceed \$1,000,000 during the U.S. person's fiscal year, a BE-22 report **must** be filed. If a U.S. person's total transactions (either sales or purchases) with unaffiliated foreign persons in a given type of service are \$1,000,000 or less during the fiscal year, the U.S. person **may** voluntarily report the total for each type of service, not distributed by individual foreign country, on line 32 of the appropriate schedules. These estimates may be judgmental, that is, not based on a search of accounting records but instead on the recollection of knowledgeable persons within the company who are in a position to know whether any significant transactions in the particular service(s) were engaged in during the year, and if so, the approximate total amount(s) of such transactions. Information provided on these transactions will make the survey results more complete and will better ensure that all types of services are adequately represented in any negotiations or other policy initiatives supported by the survey data.

Mark (X) one:

- ☐ The U.S. Reporter is required to report data in the mandatory section of at least one of the schedules.
- ☐ The U.S. Reporter is not required to report data in the mandatory section of any schedule, but elects to report data voluntarily on line 32 of at least one schedule.
- ☐ The U.S. Reporter is not reporting data in either the mandatory or voluntary section of any schedule, and is filing an exemption claim. *Complete the "PERSON TO CONSULT" and CERTIFICATION sections below and the exemption claim on page 2.*

**PERSON TO CONSULT CONCERNING QUESTIONS  
ABOUT THIS REPORT — Enter name and address**

**CERTIFICATION** – The undersigned official certifies that this report has been prepared in accordance with the applicable instructions, is complete, and is substantially accurate except that, in accordance with VI.F of the **General Instructions**, estimates have been provided where data are not available from customary accounting records or precise data could not be obtained without undue burden.

Authorized official's signature

TELEPHONE  
NUMBER

Area code

Number

Extension

Print or type name and title

Date



**EXEMPTION CLAIM - Complete only if Part I, item 2, box 3 was marked.**

The U.S. Reporter is not reporting data on any schedule of this form because it - Mark (X) appropriate box.

A ☐ Was not in existence at any time during the reporting period.

B ☐ Is owned to the extent of more than 50% of its voting stock by another U.S. enterprise.

(If the U.S. Reporter is a corporation, the data in this report are to be for the fully consolidated domestic enterprise. If a corporation is owned to the extent of more than 50 percent of its voting stock by another U.S. corporation, the parent corporation should file this report. For exceptions, see I.D. of the General Instructions.)

C ☐ Had no transactions, either sales or purchases, of the types covered, with unaffiliated foreign persons.

D ☐ Had transactions, either sales or purchases, of the types covered but the value of each type did not exceed \$1,000,000 and the U.S. Reporter does not wish to report the data voluntarily. The total amount of the transactions, for all services combined, was approximately

**Specify parent corporation**

Name

Address — Number and street

City

State

ZIP Code

**Report in thousands of U.S. dollars**

Sales

\$

Purchases

\$

If you marked (X) a box in this exemption claim - **STOP HERE** and return this form to BEA.

**Part II**

1. Annual report for fiscal year ending

11001

Month

Day

Year

9 | 7

2. Industry classification - Enter 3-digit code from the Summary of Industry Classifications.

11002

1

3. Major activity of the U.S. Reporter and product or service involved in that activity

4. Primary Employer Identification (EI) Number used by the U.S. Reporter to file U.S. income or payroll taxes

11003

1

-

**SCHEDULE A U.S. REPORTER'S SALES OF SELECTED SERVICES TO UNAFFILIATED FOREIGN PERSONS**

The mandatory section is **required** to be completed for a given type of service or activity if your total sales to foreign persons of that service, or your total receipts from foreign persons for that activity, exceed \$1,000,000.

The voluntary section is **requested** to be completed for a given type of service or activity if your total sales to foreign persons of that service, or your total receipts from foreign persons for that activity, are \$1,000,000 or less.

**NOTE** - In determining exemption, except for transactions in rights to natural resources, the \$1,000,000 threshold should be separately applied to each of the services listed below. For transactions in rights to natural resources, the \$1,000,000 threshold should be applied to the sum of services numbered 13 and 14.

Enter the number associated with the service, instead of the complete title of the service, in the column heading on page 3. See VII. of the General Instructions for complete descriptions of the services covered.

Service number	Service
1	Advertising services
2	Computer and data processing services
3	Data base and other information services
4	Telecommunications services
5	Research, development, and testing services
6	Management, consulting, and public relations services
7	Accounting, auditing, and bookkeeping services
8	Legal services
9	Educational and training services
10	Industrial engineering services
11	Industrial-type maintenance, installation, alteration, and training services
12	Performing arts, sports, and other live performances, presentations, and events
13	Sale or purchase of rights to natural resources, and lease bonus payments
14	Use or lease of rights to natural resources, excluding lease bonus payments
15	Disbursements to fund news-gathering costs of broadcasters
16	Disbursements to fund news-gathering costs of print media
17	Disbursements to fund production costs of motion pictures
18	Disbursements to fund production costs of broadcast program material other than news
19	Disbursements to maintain government tourism and business promotion offices
20	Disbursements for sales promotion and representation
21	Disbursements to participate in foreign trade shows
26	Merchanting services
27	Operational leasing services
28	Other private services*

\*Other private services" (i.e., service number 28) consist of language translation services, security services, collection services, actuarial services, salvage services, satellite photography services, and toxic waste cleanup services.

# SCHEDULE A - U.S. REPORTER'S SALES OF SELECTED SERVICES TO UNAFFILIATED FOREIGN PERSONS

RECEIPTS FROM		BEA USE ONLY		REPORT IN THOUSANDS OF U.S. DOLLARS							
				Service number:	Service number:	Service number:	Service number:	Service number:	Service number:		
				(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>MANDATORY</b> A1000		1	2	3	4	5	6	7	8		
Complete if total sales of the given type of service exceed \$1,000,000.											
1. All countries, total → 001		1	2	3	4	5	6	7	8		
2. Australia	002	1	601	2	3	4	5	6	7	8	
3. Belgium	003	1	302	2	3	4	5	6	7	8	
4. Brazil	004	1	202	2	3	4	5	6	7	8	
5. Canada	005	1	100	2	3	4	5	6	7	8	
6. France	006	1	307	2	3	4	5	6	7	8	
7. Germany	007	1	308	2	3	4	5	6	7	8	
8. Hong Kong	008	1	611	2	3	4	5	6	7	8	
9. Israel	009	1	504	2	3	4	5	6	7	8	
10. Italy	010	1	314	2	3	4	5	6	7	8	
11. Japan	011	1	614	2	3	4	5	6	7	8	
12. Luxembourg	012	1	316	2	3	4	5	6	7	8	
13. Mexico	013	1	213	2	3	4	5	6	7	8	
14. Netherlands	014	1	319	2	3	4	5	6	7	8	
15. Philippines	015	1	623	2	3	4	5	6	7	8	
16. Saudi Arabia	016	1	511	2	3	4	5	6	7	8	
17. South Korea	017	1	626	2	3	4	5	6	7	8	
18. Spain	018	1	323	2	3	4	5	6	7	8	
19. Sweden	019	1	324	2	3	4	5	6	7	8	
20. Switzerland	020	1	325	2	3	4	5	6	7	8	
21. Taiwan	021	1	628	2	3	4	5	6	7	8	
22. United Kingdom	022	1	327	2	3	4	5	6	7	8	
23. Venezuela	023	1	219	2	3	4	5	6	7	8	
Other — Specify (Use additional copied sheets as necessary)		1	2	3	4	5	6	7	8		
24.	024	1		2	3	4	5	6	7	8	
25.	025	1		2	3	4	5	6	7	8	
26.	026	1		2	3	4	5	6	7	8	
27.	027	1		2	3	4	5	6	7	8	
28.	028	1		2	3	4	5	6	7	8	
29.	029	1		2	3	4	5	6	7	8	
30.	030	1		2	3	4	5	6	7	8	
31.	031	1		2	3	4	5	6	7	8	
<b>VOLUNTARY</b>											
Complete if total sales of the given type of service are \$1,000,000 or less.											
32. All countries, total → 032		1	709	2	3	4	5	6	7	8	
<b>BEA USE ONLY</b> 033		1		2	3	4	5	6	7	8	

**NOTE** - If total (cross-border) sales of a given type of service exceed \$1 million, you must complete the MANDATORY section above, and line 32 must be left blank.



# **SCHEDULE B – U.S. REPORTER'S PURCHASES OF SELECTED SERVICES FROM UNAFFILIATED FOREIGN PERSONS**

The mandatory section is **required** to be completed for a given type of service or activity if your total purchases of that service, or outlays for that activity, exceed \$1,000,000.

The voluntary section is **requested** to be completed for a given type of service or activity if your total purchases of that service, or outlays for that activity, are \$1,000,000 or less.

**NOTE** – In determining exemption, except for transactions in rights to natural resources, the \$1,000,000 threshold should be separately applied to each of the services listed below. For transactions in rights to natural resources, the \$1,000,000 threshold should be applied to the sum of services numbered 13 and 14. For purchases of primary insurance, for which premiums paid and losses recovered are required to be reported in separate columns, both premiums paid and losses recovered (services numbered 22 and 23) must be reported if either premiums paid or losses recovered exceed \$1,000,000. If there are transactions in one of these services but not in the other, enter "N/A" in the appropriate column of this schedule, line 1 or 32.

Enter the number associated with the service, instead of the complete title of the service, in the column heading on page 5. See VII. of the General Instructions for complete descriptions of the services covered.

Service number	Service
1	Advertising services
2	Computer and data processing services
3	Data base and other information services
4	Telecommunications services
5	Research, development, and testing services
6	Management, consulting, and public relations services
7	Accounting, auditing, and bookkeeping services
8	Legal services
9	Educational and training services
10	Industrial engineering services
11	Industrial-type maintenance, installation, alteration, and training services
12	Performing arts, sports, and other live performances, presentations, and events
13	Sale or purchase of rights to natural resources, and lease bonus payments
14	Use or lease of rights to natural resources, excluding lease bonus payments
15	Disbursements to fund news-gathering costs of broadcasters
16	Disbursements to fund news-gathering costs of print media
17	Disbursements to fund production costs of motion pictures
18	Disbursements to fund production costs of broadcast program material other than news
19	Disbursements to maintain government tourism and business promotion offices
20	Disbursements for sales promotion and representation
21	Disbursements to participate in foreign trade shows
22	Premiums paid on purchase of primary insurance
23	Losses recovered on purchases of primary insurance
24	Construction, engineering, architectural, and mining services
27	Operational leasing services
28	Other private services*
* "Other private services" (i.e., service number 28) consist of language translation services, security services, collection services, actuarial services, salvage services, satellite photography services, and toxic waste cleanup services.	

Note that purchases of financial services covered by this survey are to be reported on separate Schedule C, not on this schedule.



**SCHEDULE B - U.S. REPORTER'S PURCHASES OF SELECTED SERVICES  
FROM UNAFFILIATED FOREIGN PERSONS**

PAYMENTS TO		BEA USE ONLY		REPORT IN THOUSANDS OF U.S. DOLLARS							
				Service number:	Service number:	Service number:	Service number:	Service number:	Service number:		
				(3)	(4)	(5)	(6)	(7)	(8)		
<b>MANDATORY</b> B1000 Complete if total purchases of the given type of service exceed \$1,000,000.		1	2	3	4	5	6	7	8		
<b>1. All countries, total</b> → 001		1	2	3	4	5	6	7	8		
2. Australia	002	1	601	2	3	4	5	6	7	8	
3. Belgium	003	1	302	2	3	4	5	6	7	3	
4. Brazil	004	1	202	2	3	4	5	5	7	8	
5. Canada	005	1	100	2	8	7	5	6	7	8	
6. France	006	1	307	2	3	4	5	6	7	3	
7. Germany	007	1	308	2	3	4	5	6	7	8	
8. Hong Kong	008	1	611	2	3	4	6	6	7	3	
9. Israel	009	1	504	2	3	4	6	6	7	3	
10. Italy	010	1	314	2	3	4	6	6	8	3	
11. Japan	011	1	614	2	3	4	6	6	7	8	
12. Luxembourg	012	1	316	2	3	4	5	6	7	8	
13. Mexico	013	1	213	2	3	4	5	6	7	8	
14. Netherlands	014	1	319	2	3	4	5	6	7	8	
15. Philippines	015	1	623	2	3	4	5	6	7	8	
16. Saudi Arabia	016	1	511	2	3	4	5	6	7	8	
17. South Korea	017	1	626	2	3	4	5	6	7	8	
18. Spain	018	1	323	2	3	4	5	6	7	8	
19. Sweden	019	1	324	2	3	4	5	6	7	8	
20. Switzerland	020	1	325	2	3	4	5	6	7	8	
21. Taiwan	021	1	628	2	3	4	5	6	7	8	
22. United Kingdom	022	1	327	2	3	4	5	6	7	8	
23. Venezuela	023	1	219	2	3	4	5	6	7	8	
<b>Other — Specify</b> (Use additional copied sheets as necessary)		1	2	3	4	5	6	7	8		
24.	024	1		2	3	4	5	6	7	8	
25.	025	1		2	3	4	5	6	7	8	
26.	026	1		2	3	4	5	6	7	8	
27.	027	1		2	3	4	5	6	7	8	
28.	028	1		2	3	4	5	6	7	8	
29.	029	1		2	3	4	5	6	7	8	
30.	030	1		2	3	4	5	6	7	8	
31.	031	1		2	3	4	5	6	7	8	
<b>VOLUNTARY</b> Complete if total purchases of the given type of service are \$1,000,000 or less.		1	2	3	4	5	6	7	8		
<b>32. All countries, total</b> → 032		1	709	2	3	4	5	6	7	8	
<b>BEA USE ONLY</b> 033		1		2	3	4	5	6	7	8	

**NOTE** - If total (cross-border) purchases of a given type of service exceed \$1 million, you must complete the MANDATORY section above, and line 32 must be left blank.

## SCHEDULE C – U.S. REPORTER'S PURCHASES OF FINANCIAL SERVICES FROM UNAFFILIATED FOREIGN PERSONS

The mandatory section is **required** to be completed if your total purchases of financial services exceed \$1,000,000.

The voluntary section is **requested** to be completed if your total purchases of financial services are \$1,000,000 or less.

This schedule covers direct **purchases** from foreigners of financial services by U.S. firms that are **not** financial services intermediaries or providers. For example, financial services purchased directly from foreigners by a U.S. manufacturing firm are covered, but services purchased by a U.S. bank or other U.S. financial services intermediary or provider are not covered.

For a consolidated U.S. enterprise that is comprised of both financial and nonfinancial subsidiaries, this schedule pertains **only** to transactions of the subsidiaries that are not financial services intermediaries or providers. Thus, for example, an auto manufacturer that owns a finance company should complete the financial services questions only for the manufacturing part of the firm.

Although financial services intermediaries are exempt from reporting on this schedule, they must report their purchases and sales of nonfinancial services on the other BE-22 schedules, and must report their purchases and sales of financial services on BEA surveys of financial services transactions between financial services providers and unaffiliated foreign persons, as appropriate.

U.S. financial services intermediaries or providers that are exempt from reporting on this schedule are: Depository institutions; nondepository credit institutions; security and commodity brokers, dealers, exchanges, and services providers; insurance carriers and pension funds; insurance agents, brokers, and services providers; investment offices, trusts, oil royalty traders, patent owners and lessors, and real estate investment trusts; and holding companies of financial services intermediaries. This list is similar to the finance and insurance part of Division H in the 1987 Standard Industrial Classification Manual, except that Division H includes all holding companies, not just holding companies of financial services intermediaries.

**Column (3), Credit-related fees** – Include fees for establishing, maintaining, or arranging credits, letters of credit, bankers acceptances, mortgages, factoring services, loan guarantees, etc., that are commonly provided by foreign banking establishments.

Include fees paid directly and fees that are withheld or deducted from your proceeds by the foreign person. For example, for factoring services, the fee may be calculated as the difference between the proceeds you received from the sale of your receivables and the face amount of the receivables sold; for arranging credits, letters of credit, etc., it may be calculated as the difference between the proceeds you received from the loan, letter of credit, etc. (after deduction of the fee) and your liability to the foreign lending establishment. Report credit-related fees in the accounting period in which they are incurred, whether or not expensed in that accounting period.

**Exclude** interest on your obligations, because interest is a payment for the use of loan proceeds and is not a fee for the establishment, maintenance, or arrangement of credit.

**Column (4), Fees on securities transactions** – Include commissions and other fees for securities transactions (including transactions in derivatives) or futures trading, such as brokerage, underwriting, private placements, etc. Fees for such services would commonly be paid to foreign investment banks and securities brokers or dealers.

Include fees that can be calculated from transactions records or other documentation issued by the investment bank or security broker or dealer. Omit, rather than attempt to estimate, these fees if they cannot be calculated from such documentation. (For example, a dealer's markup on bond purchases and sales cannot be directly estimated from transactions records issued by a securities dealer.)

**Column (5), Fees for other financial services** – Include fees for asset/liability management, debt renegotiation, and other financial services. **Exclude leasing.** (Report computer leasing in the BE-22 service category, "Operational leasing services.") **Exclude real estate management services.** (Report such services in the BE-22 service category, "Management, consulting, and public relations services.") For entries in this column, describe on the back of Schedule C the type of financial service that accounts for the largest share of the data reported.



# **SCHEDULE C - U.S. REPORTER'S PURCHASES OF FINANCIAL SERVICES FROM UNAFFILIATED FOREIGN PERSONS**

**NOTE** - Total purchases of financial services are calculated as the sum of columns (3) through (5)

PAYMENTS TO	BEA USE ONLY		REPORT IN THOUSANDS OF U.S. DOLLARS		
	(1)	(2)	Credit-related fees (3)	Fees on securities transactions (4)	Fees for other financial services (Specify largest type on reverse side of this schedule.) (5)
<b>MANDATORY</b> Complete if total purchases of financial services exceed \$1,000,000.					
1. All countries, total → C0001	1	2	3	4	5
2. Australia 002	1 601	2	3	4	5
3. Belgium 003	1 302	2	3	4	5
4. Brazil 004	1 202	2	3	4	5
5. Canada 005	1 100	2	3	4	5
6. France 006	1 307	2	3	4	5
7. Germany 007	1 308	2	3	4	5
8. Hong Kong 008	1 611	2	3	4	5
9. Israel 009	1 504	2	3	4	5
10. Italy 010	1 314	2	3	4	5
11. Japan 011	1 614	2	3	4	5
12. Luxembourg 012	1 316	2	3	4	5
13. Mexico 013	1 213	2	3	4	5
14. Netherlands 014	1 319	2	3	4	5
15. Philippines 015	1 623	2	3	4	5
16. Saudi Arabia 016	1 511	2	3	4	5
17. South Korea 017	1 626	2	3	4	5
18. Spain 018	1 323	2	3	4	5
19. Sweden 019	1 324	2	3	4	5
20. Switzerland 020	1 325	2	3	4	5
21. Taiwan 021	1 628	2	3	4	5
22. United Kingdom 022	1 327	2	3	4	5
23. Venezuela 023	1 219	2	3	4	5
Other — Specify (Use additional copied sheets as necessary)	1	2	3	4	5
24. 024					
25. 025	1	2	3	4	5
26. 026	1	2	3	4	5
27. 027	1	2	3	4	5
28. 028	1	2	3	4	5
29. 029	1	2	3	4	5
30. 030	1	2	3	4	5
31. 031	1	2	3	4	5
<b>VOLUNTARY</b> Complete if total purchases of financial services are \$1,000,000 or less.					
32. All countries, total → 032	1 709	2	3	4	5
<b>BEA USE ONLY</b> 033	1	2	3	4	5

**NOTE** - If total (cross-border) purchases of all types of financial services combined (the sum of columns 3 through 5) exceed \$1 million, you must complete the MANDATORY section above, and line 32 must be left blank.



**SCHEDULE C – PURCHASES OF FINANCIAL SERVICES FROM UNAFFILIATED FOREIGN PERSONS**

If there is an entry in column (5) of Schedule C, specify below the type of financial service that accounts for the largest share of the data reported.

[illegible]

## GENERAL INSTRUCTIONS

**Purpose** – Reports on this form are required in order to obtain reliable and up-to-date information on selected services transactions between U.S. persons and unaffiliated foreign persons. The information will be used to help support trade negotiations, formulate U.S. policy, and analyze the impact of that policy and the policies of foreign countries, on international trade in services. The data will also be used in compiling the U.S. balance of payments and national income and product accounts.

**Authority** – The filing of reports for this survey is authorized by Section 3103(a) of the International Investment and Trade in Services Survey Act, P.L. 94-472, 90 Stat. 2059, 22 U.S.C. 3101 to 3108, as amended (hereinafter "the Act"). Regulations for the survey may be found in 15 CFR Part 801.

**Penalties** – Whoever fails to report may be subject to a civil penalty of not less than \$2,500, and not more than \$25,000, and to injunctive relief commanding such person to comply, or both. Whoever willfully fails to report shall be fined not more than \$10,000 and, if an individual, may be imprisoned for not more than one year, or both. Any officer, director, employee, or agent of any corporation who knowingly participated in such violations, upon conviction, may be punished by a like fine, imprisonment, or both. (See Section 3105 of the Act.) Notwithstanding the above, a U.S. person is not subject to any penalty for failure to report if a valid Office of Management and Budget (OMB) control number is not displayed on the form; such a number (0608-0060) is displayed on this form.

**Confidentiality** – The Act provides that your report to this Bureau is CONFIDENTIAL. It also provides that your report may be used only for analytical or statistical purposes and CANNOT be used for purposes of taxation, investigation, or regulation. Copies retained in your files are immune from legal process.

### NOTES –

1. A single original copy of this report must be filed with the Bureau of Economic Analysis (BEA); please use the copy with the address label if such a labeled copy has been provided.
2. Currency amounts should be reported in U.S. dollars rounded to thousands (omitting 000). **EXAMPLE** - If the amount is \$1,000,000, report as \$1,000. Amounts less than \$500.00 round to "0" and should, therefore, be omitted.

### I. WHO IS TO REPORT AND GENERAL COVERAGE

#### A. Who is to report and transactions to be reported

1. **Mandatory reporting** – A BE-22 report is **required** from each U.S. person that had transactions (either sales or purchases) in excess of \$1,000,000 with unaffiliated foreign persons in any of the services listed in VII. of these General Instructions during the U.S. person's fiscal year.

The determination of whether a U.S. person is subject to this mandatory reporting requirement may be judgmental, that is, based on the judgement of knowledgeable persons in a company who can identify reportable transactions on a recall basis, with a reasonable degree of certainty without conducting a detailed manual records search. The "Optional Checklist" (Supplement A) described in IV. of the General Instructions may be used to facilitate data collection from the various parts of the reporter's organization.

Reporters who must file pursuant to this mandatory reporting requirement must complete Parts I and II of the form and all applicable schedules. The total amounts of transactions applicable to a particular schedule are to be entered in the appropriate column(s) on line 1 of the schedule. In addition, these amounts must be distributed below line 1 to the country(ies) involved in the transaction(s).

2. **Voluntary reporting** – If, during the U.S. person's fiscal year, the U.S. person's total transactions (either sales or purchases) in any of the types of services listed in VII. of these General Instructions are \$1,000,000 or less, the U.S. person is requested to provide an estimate of the total for each type of service. Provision of this information is voluntary. The estimates may be judgmental, that is, based on recall, without conducting a detailed manual records search.

The total amounts of transactions applicable to a particular schedule are to be entered in the appropriate column(s) on line 32 of the schedule. (If information on the countries of the transactions is available, the transactions may instead be reported by country in the mandatory section; however, disaggregation by country is not required.) Reporters who elect to file pursuant to the voluntary reporting option must complete Parts I and II of the form.

3. **Exemption** – A U.S. person receiving this form from BEA that is not required to report data in the mandatory section of any schedule, and that elects not to report data in the voluntary section of any schedule, must complete the "Person to Consult" and certification sections on page 1 and the exemption claim on page 2 of the form.

#### B. BE-22 definition of sales (receipts) or purchases (payments)

It should be noted that an item other than sales or purchases may be used as the measure of a given service for purposes of determining whether the threshold for mandatory reporting of the service is exceeded. Note that in several cases – advertising; telecommunications; performing arts, etc.; miscellaneous disbursements (services numbered 15–21 in VII. of these General Instructions); and rights to natural resources (services numbered 13 and 14) – measures other than, or in addition to, sales or purchases of services should be used. See VII. of these General Instructions for an explanation of what measure should be applied in determining whether you are subject to the BE-22 survey's mandatory reporting requirements for a given service.

#### C. Clarification of coverage and special situations

1. **Reporting period** – Form BE-22 is an annual report; one report is to be filed for each fiscal year of the U.S. Reporter. The Reporter's fiscal year is its financial reporting year that has an ending date in a given calendar year. (See **Definitions, II.M.**)
2. **Date of recording transactions** – Except for telecommunications services, transactions are to be reported on an accrual basis. Telecommunications transactions are to be reported on a settlements basis.
3. **Withholding taxes** – Data should be reported gross of U.S. and foreign withholding taxes.
4. **Services covered regardless of where performed** – Services sold to, or purchased from, unaffiliated foreign persons should be reported regardless of whether the services were performed in the United States or abroad.
5. **Services bundled with goods or with other services and not separately valued** – When a sale or purchase consists of both goods and services, or of several services, that cannot be unbundled (i.e., the goods and/or services are not separately valued), it should be classified based on whichever accounts for a majority of the value or on the basis of the Reporter's customary practice.
6. **Accounting for purchases** – Purchases of services should be included without regard to whether they are charged as an expense on the income statement, capitalized, or charged to inventories.
7. **Partnerships** – A partnership is a business enterprise and must report if it has covered transactions. The report must be for, and the data and information must cover, the partnership as a whole, not just the activities of an individual partner.
8. **Contractor reporting responsibility** – On all schedules, U.S. prime contractors are to report the full value of a transaction (contract) with an unaffiliated foreign person. U.S. subcontractors, including independent consultants, to a U.S. prime contractor are not to report their share of a contract with an unaffiliated foreign person.
9. **Projects with U.S. Government nonmilitary agencies** – Report information on services that are provided abroad for U.S. Government nonmilitary agencies, such as the Agency for International Development and the United States Information Agency, or that are part of an aid or technical cooperation program of the Government with foreign persons. However, do not report services provided to the U.S. Department of Defense or any of its agencies, such as the Army Corps of Engineers.
10. **International organizations** – Report transactions with international organizations, which, according to balance of payments conventions, are considered unaffiliated foreign persons even if they are headquartered in the United States. Enter the abbreviated designation, "Int'l Org.", as the name of the country the project is with.

#### D. Consolidation

If the U.S. Reporter is a corporation, Form BE-22 is required to cover reportable transactions for the fully consolidated U.S. domestic enterprise consisting of (i) the U.S. corporation whose voting securities are not owned more than 50 percent by another U.S. corporation, and, proceeding down each ownership chain from that U.S. corporation, (ii) any U.S. corporation (including a Foreign Sales Corporation located in the United States) whose voting securities are more than 50-percent owned by the U.S. corporation above it.



## GENERAL INSTRUCTIONS - Continued

### D. Consolidation - Continued

The fully consolidated U.S. domestic enterprise excludes foreign branches and other foreign affiliates.

Conditions may exist that would lead a U.S. corporation to exclude certain majority-owned (more than 50-percent owned) domestic subsidiaries from financial statements used in reports to shareholders. If such a subsidiary has covered transactions, it must file a report under its own name, and the subsidiary will be considered the U.S. Reporter for purposes of completing that form. The U.S. owner, however, is responsible for ensuring that the required Forms BE-22, both for itself and for the subsidiary, are filed with BEA on a timely basis. Such a subsidiary's filing deadline is the same as that of its U.S. owner.

## II. DEFINITIONS

- A. Services** mean economic activities whose outputs are other than tangible goods. This term includes, but is not limited to, banking, other financial services, insurance, transportation, communications and data processing, retail and wholesale trade, advertising, accounting, construction, design, engineering, management consulting, real estate, professional services, entertainment, education, and health care.
- B. U.S. Reporter** is the U.S. person filing a report in this survey (see I.D. for further clarification).
- C. United States**, when used in a geographic sense, means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and all territories and possessions of the United States.
- D. Foreign**, when used in a geographic sense, means that which is situated outside the United States or which belongs to or is characteristic of a country other than the United States.
- E. Person** means any individual, branch, partnership, associated group, association, estate, trust, corporation, or other organization (whether or not organized under the laws of any State), and any government (including a foreign government, the United States Government, a State or local government, and any agency, corporation, financial institution, or other entity or instrumentality thereof, including a government sponsored agency).
- 1. United States person** means any person resident in the United States or subject to the jurisdiction of the United States.
  - 2. Foreign person** means any person resident outside the United States or subject to the jurisdiction of a country other than the United States.
- F. Business enterprise** means any organization, association, branch or venture which exists for profitmaking purposes or to otherwise secure economic advantage, and any ownership of any real estate. (A business enterprise is a "person" within the definition in paragraph E above.)
- G. Direct investment** means the ownership or control, directly or indirectly, by one person of 10 per centum or more of the voting securities of an incorporated business enterprise or an equivalent interest in an unincorporated business enterprise.
- H. Parent** means a person of one country who, directly or indirectly, owns or controls 10 per centum or more of the voting stock of an incorporated business enterprise, or an equivalent ownership interest in an unincorporated business enterprise, which is located outside that country.
- 1. U.S. parent** means the U.S. person that has direct investment in a foreign business enterprise.
  - 2. Foreign parent** means the foreign person, or the first person outside the United States in a foreign chain of ownership, which has direct investment in a U.S. business enterprise, including a branch.
- I. Affiliated foreign group** means (i) the foreign parent, (ii) any foreign person, proceeding up the foreign parent's ownership chain, which owns more than 50 per centum of the person below it up to and including that person which is not owned more than 50 per centum by another foreign person, and (iii) any foreign person, proceeding down the ownership chain(s) of each of these members, which is owned more than 50 per centum by the person above it.

**J. Affiliate** means a business enterprise located in one country which is directly or indirectly owned or controlled by a person of another country to the extent of 10 per centum or more of its voting stock for an incorporated business or an equivalent interest for an unincorporated business, including a branch.

**1. Foreign affiliate** means an affiliate located outside the United States in which a U.S. person has direct investment.

**2. U.S. affiliate** means an affiliate located in the United States in which a foreign person has direct investment.

**K. Affiliated foreign person** means, with respect to a given U.S. person, (i) a foreign affiliate of which the U.S. person is a U.S. parent, or (ii) the foreign parent or other member of the affiliated foreign group of which the U.S. person is a U.S. affiliate.

**L. Unaffiliated foreign person** means, with respect to a given U.S. person, any foreign person that is not an affiliated foreign person as defined in paragraph K above.

**M. Fiscal year** is the U.S. Reporter's financial reporting year that has an ending date in a given calendar year. For example, fiscal year 19X1 is the U.S. Reporter's financial reporting year that has an ending date in calendar year 19X1. For a person that does not have a financial reporting year, or does not have a financial reporting year ending in a given calendar year, its fiscal year is deemed to be the same as the calendar year.

**N. Country** means, for purposes of this survey, the country of location of the foreign person with whom a transaction has occurred.

## III. GUIDELINES FOR CATEGORIZING ACTIVITIES

### A. Distinguishing between unaffiliated and affiliated transactions

This survey covers U.S. persons' direct services transactions, both sales and purchases, with unaffiliated foreign persons - that is, with foreign persons that are neither the foreign affiliate nor the foreign parent of the U.S. person filing the report. For definitions of terms, see II. above.

Examples of reportable transactions are:

- 1.** A transaction between a U.S. person and an unaffiliated foreign person.
- 2.** A transaction between one U.S. person and another U.S. person's foreign affiliate. Such a transaction is reportable by the first U.S. person.
- 3.** A transaction between a U.S. parent of a foreign affiliate, or a U.S. affiliate of a foreign parent, and an unaffiliated foreign person (whether or not the latter is affiliated with other U.S. persons). Such a transaction is reportable by the U.S. parent or the U.S. affiliate.

Examples of transactions that are **not** reportable are:

- 1.** A transaction between a U.S. person (U.S. parent) and its foreign affiliate.
- 2.** A transaction between a U.S. person (U.S. affiliate) and its foreign parent or other member of the affiliated foreign group.
- 3.** A transaction between a U.S. person's foreign affiliate and another foreign person. Such a transaction is not reportable because it is a foreign-to-foreign transaction.
- 4.** A transaction between a U.S. person and another U.S. person (whether or not either or both parties are affiliated with foreign persons). Such a transaction is not reportable because it is a U.S.-to-U.S. transaction.

Transactions between U.S. parents and their foreign affiliates, and between foreign affiliates and other foreign persons, are already reportable in the surveys of U.S. direct investment abroad (BE-10, BE-11, and BE-577). Transactions between U.S. affiliates and their foreign parents or other members of their affiliated foreign groups are already reportable in the surveys of foreign direct investment in the United States (BE-12, BE-13, BE-15, BE-605, and BE-605 Bank).



**B. Foreign activities of a U.S. person that do not constitute a foreign affiliate**

Transactions with unaffiliated foreign persons by or through a foreign "activity" of a U.S. person that is not a foreign affiliate must be reported on the BE-22, if the activities are in covered types of services. Any of the services covered by this survey may also be provided at a foreign location through a foreign affiliate. Such transactions are not reportable in this survey. Before completing this survey, therefore, reporters must determine whether or not the services are conducted through a foreign activity that is not a foreign affiliate or through a foreign affiliate.

Although the definitions of direct investment and foreign affiliate in II. above, together with the discussion in III.A. above, should be sufficient to determine whether a given foreign activity is or is not a foreign affiliate, in a number of cases the determination may be difficult. Several factors to be considered are given below. If you still cannot determine if the activity or operation is an affiliate, call (202) 606-5588 for additional guidance. Also, if you think that an activity or operation currently reported as an affiliate is incorrect, please call and a determination of future reporting status will be made.

If a U.S. person's foreign activity or operation is incorporated abroad, it is a foreign affiliate.

If a U.S. person's foreign activity or operation is **not** incorporated abroad, its status is based on the weight of the evidence when the factors listed below are considered.

An unincorporated foreign activity or operation generally **would** be considered a foreign affiliate if it: (i) pays foreign income taxes; (ii) has a substantial physical presence abroad (e.g., plant and equipment or employees); (iii) maintains separate financial records that would permit the preparation of financial statements, including an income statement and balance sheet (not just a record of disbursements and receipts); (iv) takes title to the goods it sells and receives revenues therefrom; or (v) receives funds for its own account from customers for services it performs.

An unincorporated foreign activity or operation generally **would not** be considered a foreign affiliate if it: (i) conducts business abroad only for the U.S. person's account and not for its own account (e.g., sales promotion or public relations type of activities); (ii) has no separate financial statements; (iii) receives funds to cover its expenses only from the U.S. person; (iv) pays no foreign income taxes; and (v) has limited physical assets, or employees, permanently located abroad.

**Note** that a diverse group of activities that do not constitute foreign affiliates are covered by services numbered 15-21 in VII. of these General Instructions. For activities that are covered by these services, the respondent is asked to provide a breakdown by country of the total amount of the funding for these activities.

**C. U.S. activities of a foreign person that do not constitute a U.S. affiliate**

Criteria for determining which U.S. activities do or do not constitute a U.S. affiliate of a foreign person are parallel to those in III.B. above.

**D. Determining who must report a transaction when an intermediary is involved**

At times, transactions between a U.S. person and an unaffiliated foreign person may be arranged by, billed through, or otherwise facilitated by, an intermediary. The intermediary may be U.S. or foreign, and may be affiliated or unaffiliated with the U.S., or the foreign, person.

A determination of who a sale is to, or who a purchase is from, shall be made on the basis of who the U.S. person considers itself to have a claim on for payment, in the case of a sale, or who it has a liability to, in the case of a purchase. For a sale, if the U.S. person looks to the unaffiliated foreign person for payment, then the transaction is between the U.S. person and unaffiliated foreign person, and is to be reported by the U.S. person. If the U.S. person looks to the intermediary for payment, and the intermediary, in turn, looks to the foreign person for payment, then whether either transaction is reportable, and who it is to be reported by, depends on the location of the intermediary and the relationship between the U.S. person and the intermediary.

If the intermediary is a foreign person, then the U.S. person would report the transaction, provided the intermediary is not affiliated with the U.S. person. (If they are affiliated, then the transaction is not reportable in this survey.)

If the intermediary is a U.S. person, then the initial transaction between the original U.S. person and the intermediary is domestic-to-domestic and not reportable in the survey. However, the intermediary must report the transaction with the foreign person, provided the intermediary is not affiliated with the foreign person. (If they are affiliated, then the transaction is not reportable in this survey.)

The reportability of a purchase would be determined in a similar manner.

**IV. OPTIONAL CHECKLIST OF SERVICES TRANSACTIONS BETWEEN COMPANY UNIT AND UNAFFILIATED FOREIGN PERSONS**

For the convenience of reporters, an "Optional Checklist" is provided in Supplement A, to help diversified companies determine, without a records search, whether or not the "parts" or units of the company had reportable services transactions, either sales or purchases, with unaffiliated foreign persons in the fiscal year.

If, for any sales or purchases category, a "part" or unit of the company answers "Yes" to the question of whether it had a transaction in a particular type of service, that "part" or unit must be included in the company's report under the survey's mandatory reporting requirement if the U.S. Reporter's total transactions in that service exceed \$1,000,000. (See I.A.1. of these General Instructions.) Even if the U.S. Reporter's total transactions are \$1,000,000 or less, a "Yes" answer to the question of whether the "part" or unit had any transactions can be used to help determine if the transactions of that "part" or unit should be included in the company's report on a voluntary basis. (See I.A.2. of these General Instructions.)

Companies should reproduce the checklist for distribution to their "parts" or units if they decide to use it in preparing their reports. The checklist is optional; it is for the internal use of reporters only and should not be returned to BEA with Form BE-22.

Some companies may find it advantageous to adapt the "Optional Checklist" to accommodate their own particular corporate structure or data collection procedures.

**V. RELATED FORMS**

Persons receiving this form should be aware of nine other forms on services that are required to be filed on a mandatory basis with BEA (see 15 CFR, Part 801, Section 9).

**BE-20** Benchmark Survey of Selected Services Transactions With Unaffiliated Foreign Persons

**BE-29** Foreign Ocean Carriers' Expenses in the United States

**BE-30** Ocean Freight Revenues and Foreign Expenses of United States Carriers

**BE-36** Foreign Airline Operators' Revenues and Expenses in the United States

**BE-37** U.S. Airline Operators' Foreign Revenues and Expenses

**BE-47** Annual Survey of Construction, Engineering, Architectural, and Mining Services Provided by U.S. Firms to Unaffiliated Foreign Persons

**BE-48** Annual Survey of Reinsurance and Other Insurance Transactions by U.S. Insurance Companies with Foreign Persons

**BE-80** Benchmark Survey of Financial Services Transactions Between U.S. Financial Services Providers and Unaffiliated Foreign Persons

**BE-82** Annual Survey of Financial Services Transactions Between U.S. Financial Services Providers and Unaffiliated Foreign Persons

**BE-93** Annual Survey of Royalties, License Fees, and Other Receipts and Payments for Intangible Rights Between U.S. and Unaffiliated Foreign Persons

The types of transactions reportable on those forms are not covered by this survey. To receive a copy of form BE-29, BE-30, BE-36, or BE-37, telephone BEA at (202) 606-9559. To receive a copy of form BE-20, BE-47, BE-48, BE-80, BE-82, or BE-93, telephone BEA at (202) 606-5588.

**VI. REPORTING PROCEDURES**

**A. Due date** - A completed BE-22 is due on March 31 of the calendar year following the one in which the U.S. Reporter's fiscal year ends.

**B. Extension** - Requests for an extension of the reporting deadline will not normally be granted. However, in a hardship case, a written request for an extension will be considered provided it is received at least 15 days before the due date of the report and enumerates substantive reasons necessitating the extension. BEA will provide a written response to such a request.

**C. For assistance or additional copies of the forms** - Phone (202) 606-5588 between 8:00 a.m. and 4:00 p.m., eastern time.

**D. Original and file copies** - A single original copy of each form or schedule must be filed with BEA. Please use the copy with the address label if such a labeled copy has been provided. In addition, each U.S. Reporter must retain a copy of its report to facilitate resolution of problems; these copies should be retained by the U.S. Reporter for a period of not less than 3 years beyond the form's original due date.

**E. Where to send report** - Reports filed by mail through the U.S. Postal Service should be sent to U.S. Department of Commerce, Bureau of Economic Analysis BE-50(SSB), Washington, DC 20230.

Reports filed by direct private delivery should be directed to U.S. Department of Commerce, Bureau of Economic Analysis BE-50(SSB), Shipping and Receiving Section, Room M-100, 1441 L Street, NW, Washington, DC 20005.



## GENERAL INSTRUCTIONS – Continued

### VI. REPORTING PROCEDURES

- F. Estimates** – If actual figures are not available, estimates should be supplied and labeled as such. When data items cannot be fully subdivided as required, totals and an estimated breakdown of the totals should be supplied.

### VII. SERVICES COVERED

*Report sales of services numbered 1–21 and 26–28 on Schedule A, and report purchases of services numbered 1–24, 27, and 28 on Schedule B. Report purchases of financial services (service number 25) on Schedule C.*

- 1. Advertising services** – Preparation of advertising and placement of such advertising in media, including charges for media space and time. An advertising agency selling such services should report **gross billings** to unaffiliated foreigners. Sales by media companies (e.g. broadcasters, publishers, etc.) that are arranged through U.S. advertising agencies are presumed to be reflected in billings of the advertising agencies; thus, in order to avoid duplication, they should not be reported by the media suppliers. U.S. advertising agencies should report only direct transactions with unaffiliated foreign clients. Exclude transactions that are with the U.S. affiliates of foreign clients, rather than directly with foreign clients; such transactions are considered domestic (U.S.-to-U.S.) and are, therefore, outside the scope of this survey. Exclude charges for services other than advertising, such as public relations services or market research not directly associated with an advertising campaign. Such services should be reported under service number 6. U.S. media companies should report only direct sales of advertising services to unaffiliated foreign persons; they should not report advertising arranged by U.S. advertising agencies, including U.S. affiliates of foreign advertising agencies.

Under **purchases** of advertising services, U.S. Reporters that are advertising agencies should report only funds paid to foreign advertising agencies and media companies on behalf of its clients. U.S. Reporters other than advertising agencies should report only purchases made directly from foreign advertising agencies and media companies. Do not report purchases made through a U.S. advertising agency. Also, do not report purchases made through the U.S. office of a foreign advertising agency if your payment is made to the U.S. office.

Include the value of reciprocal exchanges; i.e., transactions involving barter. On Schedule A, value your sales to the foreign participant in the reciprocal exchange at market rates, not at the actual cost of performing the services. On Schedule B, value your purchases from the foreign participant at the same amount as the sales reported on Schedule A.

- 2. Computer and data processing services** – Data entry, processing (both batch and remote), and tabulation; computer systems analysis, design, and engineering; custom software and programming services; integrated hardware/software systems; and other computer services (e.g., timesharing, maintenance, and repair). **Excludes general use computer software royalties and license fees; for 1997 and the following years these transactions are to be reported on the Form BE-93, Annual Survey of Royalties, License Fees, and Other Receipts and Payments for Intangible Rights Between U.S. and Unaffiliated Foreign Persons.**
- 3. Data base and other information services** – Business and economic data base services, including business news, stock quotation, and financial information services; medical, legal, technical, demographic, bibliographic, and similar data base services; general news services, such as those purchased from a news syndicate; and other information services, including reservation systems and credit reporting and authorization systems. For airline reservation systems, includes booking fees from foreign carriers for the use of your reservation system, whether accessed directly or by a U.S. or foreign travel agent.
- 4. Telecommunications services** – Includes services of the following types (to be reported in a single column, rather than as five separate types of services):

**Message telephone services, telex, telegram, and other services** – On Schedule A, report receipts from foreign persons (communications companies and postal, telephone, and telegraph agencies) for your share of revenues for transmitting messages originating abroad to U.S. destinations. On Schedule B, report payouts to foreign persons (communications companies and PTT's) for their share of revenues for transmitting messages originating in the United States to foreign destinations. For messages originating in foreign countries and routed through the United States (for example, from Caribbean countries via the

United States to Western Europe), report receipts from the foreign person originating the message and payouts to the country of destination. Also report receipts for transmitting messages between foreign points when not offered in connection with enhanced services, and other regulated services of the type reportable to the FCC on Report 4361.

**Private leased channel services** – On Schedule A, report receipts from foreign persons for circuits and channels terminating in the United States and for circuits and channels between foreign points. On Schedule B, report payouts to foreign persons (communications companies and PTT's) for leased channels and circuits terminating in foreign countries.

**Value-added (enhanced) services** – Telecommunications services that add value or function above and beyond the telecommunications transport services that deliver the value-added services to end users. They can include (a) electronic mail, voice mail, code and protocol processing, and management and operation of data networks; (b) facsimile services and video-conferencing; and (c) other value-added (enhanced) services. (Facsimile services and videoconferencing should be considered as value-added only if the company provides the facilities and equipment; a company that provides solely the telecommunications transmission for these services should report receipts and payouts on Schedules A and B).

**Support services** – Services related to the maintenance and repair of telecommunications equipment; ground station services (where the ground station is not an "affiliate"); capacity leasing for transiting; and launching of communications satellites.

**Reciprocal exchanges** – Include the value of reciprocal exchanges; i.e., transactions involving barter. On Schedule A, value your sales to the foreign participant in the reciprocal exchange at market rates, not at the actual cost of performing the services. On Schedule B, value your purchases from the foreign participant at the same amounts as the sales reported on Schedule A.

- 5. Research, development, and testing services** – Commercial and noncommercial research, product development services, and testing services. Includes fees for the conduct of experiments or performance of research and development activities aboard spacecraft. Excludes medical and dental laboratory services.
- 6. Management, consulting, and public relations services** – Management services, except management of health care facilities; consulting services, except consulting engineering services related to actual or proposed construction or mining services projects (report purchases under service number 24, and report sales on BEA Form BE-47 – see V. of these General Instructions) and computer consulting (report under service number 2); and public relations services, except those that are an integral part of an advertising campaign (report under service number 1). Excludes management and operation of a business where operating staff as well as management is provided. (Generally, such operations would be deemed to constitute a U.S. affiliate to be reported on BEA's direct investment surveys rather than on this survey.)
- 7. Accounting, auditing, and bookkeeping services** – Excludes data processing and tabulation services (report under service number 2).
- 8. Legal services** – Legal advice or other legal services. Insurance companies should include fees paid as compensation for claims adjustment services.
- 9. Educational and training services** – Educational or training services provided on a contract or fee basis. Excludes tuition and fees charged to individual U.S. or foreign students by educational institutions. Also excludes training done by a manufacturer in connection with the sale of a good (reportable under service number 11).
- 10. Industrial engineering services** – Engineering services related to the design of movable products, including product design services. Excludes engineering and architectural services that relate to immovable products, such as those that relate to actual or proposed construction or mining services projects (report purchases under service number 24, and report sales on BEA Form BE-47 – see V. of these General Instructions). Excludes computer systems engineering (reportable under service number 2). Includes, however, services performed with the assistance of computers, such as computer-assisted design work.



- 11. Industrial-type maintenance, installation, alteration, and training services** - Maintenance services primarily to machinery and equipment. May also include small maintenance work on buildings, structures, dams, highways, etc., but only to the extent that the work is not reported under service number 24. Would include such services as the periodic overhaul of turbines, the extinguishment of natural gas well fires, and refinery maintenance. Excludes computer maintenance (report under service number 2). Installation and training services include only installation, startup, and training services provided by a manufacturer in connection with the sale of a good. Do not include such services where the cost is included in the price of the goods and not separately billed, or is declared as a part of the price of the goods on the import or export declaration filed with the U.S. Customs Service; however, services provided at a price over and above that entered on the declaration should be included. These services would be reported elsewhere if not received in connection with the purchase of goods. For example, installation of machinery and equipment is normally considered a construction activity, and training personnel in the use of new machinery would ordinarily be reported as an educational or training service.
- 12. Performing arts, sports, and other live performances, presentations, and events** - Fees received (net of allowances for foreign expenses) or paid (net of allowances for U.S. expenses) for performing arts, sports, etc. To be reported by (a) U.S. management companies, booking agents, promoters, and presenters who received funds from or paid funds to foreign persons, for performances and events, and (b) U.S. performers who received funds directly from a foreign person rather than through a U.S. management company or similar entity. (As used here, "performers" means entertainers, sports teams, orchestras, dance companies, lecturers, and similar persons or performing groups.)
- 13. Sale or purchase of rights to natural resources, and lease bonus payments** - Receipts from the sale of, or payments for the acquisition of, rights to natural resources located in the United States and abroad, and lease bonus payments. Excludes sales or purchases of rights to surface land.
- 14. Use or lease of rights to natural resources, excluding lease bonus payments** - Receipts or payments for the use of rights to natural resources located in the United States and abroad, including oil or mining production royalties. Excludes lease bonus payments (reportable under service number 13) and sales or purchases of rights to surface land.
- Note for services numbered 15-21:** Where a set of related expenditures was made in several countries, but your recordkeeping does not permit a precise allocation of expenses among individual countries, estimates are acceptable. If no basis for such estimates exists, then it is permissible to record the expenditures against the country in which the activities were centered or headquartered. For example, a news correspondent may conduct news-gathering activities in several countries. Although it would be preferable to report news-gathering expenses in each of the several countries, all of the expenses may, if necessary, be recorded against the country where the foreign news bureau is headquartered, or where the correspondent had the largest outlays.
- 15. Disbursements to fund news-gathering costs of broadcasters** - U.S. broadcasters' outlays to fund operations of their foreign news bureaus and for support of correspondents in foreign countries, and foreign broadcasters' outlays to fund operations of their U.S. news bureaus and for support of correspondents in the United States. (See note above.)
- 16. Disbursements to fund news-gathering costs of print media** - Outlays by U.S. newspapers, news syndicates, and news magazines for the operation of their foreign news bureaus, and outlays by foreign newspapers, news syndicates, and news magazines for the operation of their U.S. news bureaus. (See note above service number 15.)
- 17. Disbursements to fund production costs of motion pictures** - Foreign production costs of U.S. motion picture companies, and U.S. production costs of foreign motion picture companies. (See note above service number 15.)
- 18. Disbursements to fund production costs of broadcast program material other than news** - Foreign production costs of U.S. companies engaged in the production of broadcast material other than news, and U.S. production costs of foreign companies engaged in the production of broadcast material other than news. (See note above service number 15.)
- 19. Disbursements to maintain government tourism and business promotion offices** - Funding to maintain State tourism and business promotion offices located abroad, and funding to maintain foreign government sponsored tourism and business promotion offices located in the United States. (See note above service number 15.)
- 20. Disbursements for sales promotion and representation** - Funding to maintain sales promotion and representative offices, and commissions or "finder's fees" to unaffiliated (independent) sales agents. Sales promotion offices typically have few assets other than office furniture; to the extent that their employees are compensated by commissions, the commissions arise only from sales or business that the employees generate for their U.S. or foreign parents; they do not produce revenue, other than funds from their parents to cover their expenses; and they are engaged only in sales promotion, representational, public-relations-type activities, or the gathering of market information, on behalf of their parents. If an office produces revenues for its own account from goods or services it provides to unaffiliated persons, then it is considered a U.S. or foreign affiliate and is subject to the reporting requirements for BEA's direct investment surveys. (See note above service number 15.)
- 21. Disbursements to participate in foreign trade shows (outlays only)** - Foreign expenses incurred by U.S. persons participating in foreign trade shows. (See note above service number 15.)
- Note for services numbered 22 and 23:** When you report either service number 22 or 23, also report the other service. If there are transactions in one of these services but not in the other, label a column in Schedule B with the number for the other service and enter "NA" in line 1 or 32.
- 22. Primary insurance premiums (purchases only)** - Premiums (net of cancellations) paid to unaffiliated foreign insurance carriers. A U.S. Reporter should not report direct transactions with a foreign insurance company that is its foreign affiliate; such transactions are to be reported on direct investment survey BE-577. A U.S. Reporter should, however, report direct transactions with a foreign insurance company that is an affiliate of another U.S. company, as the U.S. Reporter and the foreign insurance company are unaffiliated. (See note above.)
- 23. Losses recovered on primary insurance (purchases only)** - Losses recovered on insurance purchased from unaffiliated foreign insurance carriers. (See note above service number 22.)
- 24. Construction, engineering, architectural, and mining services (purchases only)** - Includes purchases of the following types of services: services of general contractors in the fields of building and heavy construction; construction work by special trade contractors, such as the erection of structural steel for bridges and buildings and on-site electrical work; architectural, engineering, and land-surveying services; and mining services, including oil and gas field services. Includes only those engineering services purchased in conjunction with construction and mining services projects; industrial engineering services, such as product design services, should be reported under service number 10. Includes services purchased in connection with proposed projects (e.g.; feasibility studies) as well as projects that are actually being carried out.
- Note** that the U.S. Reporter's sales of construction, engineering, architectural, and mining services are not reportable on this survey, but on separate BEA Form BE-47.
- 25. Financial services (purchases only)** - Purchases from foreigners of financial services by U.S. firms, or domestic subsidiaries of U.S. firms, that are **not** financial services intermediaries or providers. Such purchases should be reported on Schedule C. See Schedule C for a more detailed description of the types of transactions that are covered.



## GENERAL INSTRUCTIONS – Continued

### VII. SERVICES COVERED – Continued

- 26. Merchanting services** – (Report sales/receipts on Schedule A; purchases/payments are not reportable): For this service, only the value of merchanting services for all foreign countries combined (i.e., the global total for all foreign merchanting services) must be reported; data by individual foreign country may be reported voluntarily.

The value of merchanting services is equal to the **difference** between your cost for, and the resale price of, goods (such as crude oil, grain, and other commodities) that are both purchased and resold abroad; that is, the goods are neither imported to, nor exported from, the United States, and they do not undergo significant processing during the time between when they are purchased and resold. Without regard to whether you initially purchased the goods from an affiliated or unaffiliated foreign person, report data only for those transactions where you resold goods to an unaffiliated foreign person (i.e., a person who is neither your foreign affiliate nor a member of your foreign parent group). The data that are voluntarily reported by individual foreign country should be reported according to the individual foreign countries to which the goods were resold (and not the foreign countries from which the goods were purchased).

- 27. Operational leasing services** – Rentals for computer and data processing equipment; transportation equipment (such as ships, aircraft, railway cars, containers, rigs, automobile fleets, etc.) **without** crew or operators (if crew or operators are also provided, the fee is considered to be for transportation services, which are not reportable on the BE-22 but may be reportable on other BEA forms – see V. of these General Instructions); and all other machinery and equipment. This category excludes rentals under leases that have been capitalized (capital leases), and rentals of any items other than machinery and equipment. (For example, it excludes rentals of office buildings and other real estate, film rentals, and employee leasing.)

- 28. Other private services** – Report transactions in the following types of services: Language translation services, security services, collection services, actuarial services, salvage services, satellite photography services, and oil spill and toxic waste cleanup services; i.e., this category **excludes** transactions in services not on this list. When reporting data under this service number, also identify on Schedule A or Schedule B, as appropriate, the specific type of service from the list above accounting for the largest share of the reported total.



FORM **BE-22 - Supplement A**  
(9-18-97)**SUPPLEMENT A - OPTIONAL CHECKLIST OF SERVICES TRANSACTIONS BETWEEN  
COMPANY UNIT AND UNAFFILIATED FOREIGN PERSONS**  
**ANNUAL SURVEY OF SELECTED SERVICES TRANSACTIONS WITH UNAFFILIATED FOREIGN PERSONS**

This checklist is provided with the BE-22 survey for the internal use and convenience of Reporters only and is not to be returned to BEA.

The purpose of this checklist is to facilitate the determination of whether or not the "parts" or units of a given U.S. company had any of the various services transactions covered by the survey, either sales (receipts) or purchases (payments), with unaffiliated foreign persons during the respondent's fiscal year. (The term "persons" includes business enterprises, governments, individuals, and other organizations and entities.)

For companies with diverse operations, this checklist should be directed to persons in the various parts of the company who are knowledgeable about the parts' sales and purchasing activities and who can say, in their judgement, with a reasonable degree of certainty without conducting a records search, whether or not a part engaged in covered transactions. Because companies organize their operations and accounting systems in different ways, these parts of a company might variously be referred to as profit centers, business units, divisions, subsidiaries, plant sites, establishments, operating centers, etc., or some combination thereof. All parts of the domestic company must be covered, although all need not be given the checklist, since some might already be known by headquarters to have, or not have, reportable transactions.

Definitions of the various types of services are on the reverse side of this checklist. Note that in several cases - advertising (service number 1); telecommunications (service number 4); performing arts, etc. (service number 12); miscellaneous disbursements (services numbered 15-21); and rights to natural resources (services numbered 13 and 14) - measures other than, or in addition to, sales of services and purchases of services should be used in completing the checklist.

The guidelines listed below apply to this checklist.

- Both sales and purchases of services should relate to the company's fiscal year.
- Transactions by the U.S. operations ONLY are covered. Transactions by or with foreign branches or subsidiaries (foreign affiliates) of the U.S. company are NOT covered, NOR are transactions by or with a foreign parent company.
- In reporting purchases, include items meeting the above criteria, without regard to whether they were charged as an expense on the income statement, capitalized, or charged to inventories.
- "Foreign" means that which is situated outside the United States and its territories and possessions. Therefore, transactions with companies located in the United States that have foreign parents are NOT includable; and transactions with foreign affiliates of other U.S. companies ARE includable.
- Foreign persons are considered to be "unaffiliated" if (a) the U.S. company's ownership percentage (direct and indirect) in the foreign person is less than 10 percent or (b) the foreign person's ownership percentage (direct and indirect) in the U.S. company is less than 10 percent. (Questions as to whether a particular foreign company is affiliated or unaffiliated should be referred to the person named in the box below.)
- Includable transactions are determined by the above criteria, without regard to WHERE the services were performed. For example, services performed abroad by a respondent are covered if the respondent's U.S. operations performed the services instead of a foreign affiliate. Similarly, purchases of services from unaffiliated foreign persons are includable without regard to WHERE such services were performed.

Person in company headquarters to contact concerning questions about this survey.

Name \_\_\_\_\_

**TELEPHONE**

Area code

Number

Extension

**OPTIONAL SALES AND PURCHASES CHECKLIST**

For each service listed, for both sales and purchases, mark (X) "Yes" or "No" as to whether, in your judgement, your part of the company had any transactions with unaffiliated foreign persons during the fiscal year. If the answer is "Yes," enter the estimated amount of the transactions in column (c) (SALES) or column (f) (PURCHASES).

Type of service	SALES			PURCHASES		
	Had any transactions?		Estimated amount Report in dollars (c)	Had any transactions?		Estimated amount Report in dollars (f)
	Yes (a)	No (b)		Yes (d)	No (e)	
1. Advertising services						
2. Computer and data processing services						
3. Data base and other information services						
4. Telecommunications services						
5. Research, development, and testing services						
6. Management, consulting, and public relations services						
7. Accounting, auditing, and bookkeeping services						
8. Legal services						
9. Educational and training services						
10. Industrial engineering services						
11. Industrial-type maintenance, installation, alteration, and training services						
12. Performing arts, sports, and other live performances, presentations and events						
13. Sale or purchase of rights to natural resources, and lease bonus payments						
14. Use or lease of rights to natural resources, excluding lease bonus payments						
15. Disbursements to fund news-gathering costs of broadcasters						
16. Disbursements to fund news-gathering costs of print media						
17. Disbursements to fund production costs of motion pictures						
18. Disbursements to fund production costs of broadcast program material other than news						
19. Disbursements to maintain government tourism and business promotion offices						
20. Disbursements to maintain sales promotion and representation						
21. Disbursements to participate in foreign trade shows			Not reportable			
22. Premiums paid on primary insurance			Not reportable			
23. Losses recovered on primary insurance			Not reportable			
24. Construction, engineering, architectural, and mining services			Not reportable			
25. Financial services			Not reportable			
26. Merchanting services						Not reportable
27. Operational leasing services						
28. Other private services						

Person completing this form for part or unit of company, complete box on reverse side.



## DEFINITIONS OF TYPES OF SERVICES

1. **Advertising services** – Preparation of advertising and placement of such advertising in media, including charges for media space and time. An advertising agency selling services should use **gross billings** to unaffiliated foreigners in completing the checklist.
2. **Computer and data processing services** – Data entry, processing (both batch and remote), and tabulation; computer systems analysis, design, and engineering; custom software and programming services; integrated hardware/software systems; and other computer services (e.g., timesharing, maintenance, and repair). **Excludes general use computer software royalties and license fees; for 1997 and the following years these transactions are to be reported on the Form BE-93, Annual Survey of Royalties, License Fees, and Other Receipts and Payments for Intangible Rights Between U.S. and Unaffiliated Foreign Persons.**
3. **Data base and other information services** – Business and economic data base services, including business news, stock quotation, and financial information services; medical, legal, technical, demographic, bibliographic, and similar data base services; general news services, such as those provided by a news syndicate; and other information services, including reservation systems and credit reporting and authorization systems.
4. **Telecommunications services**
  - a. **Message telephone services (communications carriers only)** – Receipts from foreign persons (communications companies and postal, telephone, and telegraph agencies (PTT's)) for own share of revenues for transmitting messages originating abroad to U.S. destinations, and payouts to foreign persons (communications companies and PTT's) for their share of revenues for transmitting messages originating in the United States to foreign destinations.
  - b. **Private leased channel services** – Receipts from foreign persons for circuits and channels terminating in the United States and for circuits and channels between foreign points, and payouts to foreign persons for leased channels and circuits terminating in foreign countries.
  - c. **Telex, telegram, and other jointly provided (basic) services** – Includes telex and telegram services, packet switched services when not offered in connection with enhanced services, and other regulated services of the type reportable to the FCC on Report 4361.
  - d. **Value-added (enhanced) services** – Telecommunications services that add value or function above and beyond the telecommunications transport services that deliver the value-added services to end users. They can include (i) electronic mail, voice mail, code and protocol processing, and management of data networks; (ii) facsimile services and videoconferencing; and (iii) other value-added (enhanced) services.
  - e. **Support services** – Services related to the maintenance and repair of telecommunications equipment; ground station services; capacity leasing for transiting; and launching of communications satellites.
5. **Research, development, and testing services** – Commercial and noncommercial research, product development services, and testing services. Includes fees for the conduct of experiments or performance of research and development activities aboard spacecraft. Excludes medical and dental laboratory services.
6. **Management, consulting, and public relations services** – Management services, except management of health care facilities; consulting services, except consulting engineering services related to actual or proposed construction or mining services projects (see 24) and computer consulting (see 2); and public relations services, except those that are an integral part of an advertising campaign (see 1).
7. **Accounting, auditing, and bookkeeping services** – Excludes data processing and tabulating services (see 2).
8. **Legal services** – Legal advice or other legal services, including insurance claims adjustment services.
9. **Educational and training services** – Educational or training services provided or acquired on a contract or fee basis. Excludes tuition and fees charged to individual students, as well as training done by a manufacturer in connection with the sale of a good (see 11).
10. **Industrial engineering services** – Engineering services related to the design of movable products, including product design services. Excludes services that relate to immovable products, such as those that relate to actual or proposed construction or mining services projects (see 24).
11. **Industrial-type maintenance, installation, alteration, and training services** – Maintenance services primarily to machinery and equipment. May also include small maintenance work on buildings, structures, dams, highways, etc., but only to the extent that the work is not reportable under service number 24. Would include such services as the periodic overhaul of turbines, the extinguishment of natural gas well fires, and refinery maintenance. Excludes computer maintenance (report under service number 2). Installation and training services include only installation, startup, and training services provided by a manufacturer in connection with the sale of a good. Do not include such services where the cost is included in the price of the goods and not separately billed, or is declared as a part of the price of the goods on the import or export declaration filed with the U.S. Customs Service; however, services
  12. **Performing arts, sports, and other live performances, presentations, and events** – Fees received (net of allowances for foreign expenses) or paid (net of allowances for U.S. expenses) for performing arts, sports, etc. To be reported by (a) U.S. management companies, booking agents, promoters, and presenters who received funds from or paid funds to foreign persons, for performances and events, and (b) U.S. performers who received funds directly from a foreign person rather than through a U.S. management company or similar entity. (As used here, "performers" means entertainers, sports teams, orchestras, dance companies, lecturers, and similar persons or performing groups.)
  13. **Sale or purchase of rights to natural resources, and lease bonus payments** – Receipts from the sale of, or payments for the acquisition of rights to natural resources located in the United States and abroad, and lease bonus payments. Excludes sales of purchases of rights to surface land.
  14. **Use or lease of rights to natural resources, excluding lease bonus payments** – Receipts or payments for the use of rights to natural resources located in the United States and abroad, including oil or mining production royalties. Excludes lease bonus payments (reportable under 13) and sales or purchases of rights to surface land.
  - 15-21. **Miscellaneous disbursements** – Disbursements or outlays to fund news-gathering costs of broadcasters and the print media; production costs of motion picture companies and companies engaged in the production of broadcast program material other than news; and costs of maintaining tourism, business promotion, and representative offices, and for participating in foreign trade shows.
  22. **Primary insurance premiums (purchases only)** – Applies only to insurance purchased from foreign insurance carriers. Equals premiums paid minus cancellations. Excludes reinsurance transactions.
  23. **Losses recovered on primary insurance (purchases only)** – Applies only to claims recovered on purchases of primary insurance.
  24. **Construction, engineering, architectural, and mining services** – Covers only purchases of the following types of services: Services of general contractors in the fields of building and heavy construction; construction work by special trade contractors, such as the erection of structural steel for bridges and buildings and on-site electrical work; architectural, engineering, and land-surveying services; and mining services, including oil and gas field services. Includes only those engineering services purchased in conjunction with construction and mining services projects; industrial engineering services, such as product design services, are included in 10. Includes services purchased in connection with proposed projects (e.g., feasibility studies) as well as projects that are actually being carried out.
  25. **Financial services** – Payments to foreigners of credit-related fees; fees on securities transactions; and fees for other financial services by U.S. firms, or domestic subsidiaries of U.S. firms, that are **not** financial services intermediaries or providers. For transactions in "other" financial services, specify here or on an attachment the type of service that accounts for the largest share of the data reported.
  26. **Merchanting services** – Sales of merchanting services are equal to the difference between your cost and the resale price of goods (such as crude oil, grain, and other commodities) that are both purchased and resold abroad; that is, the goods are neither imported to, nor exported from, the United States, and they do not undergo significant processing during the time between when they are purchased and resold. Without regard to whether the goods were initially purchased from an affiliated or unaffiliated foreign person, includes only transactions where the goods were resold to an unaffiliated foreign person.
  27. **Operational leasing services** – Includes rentals for computer and data processing equipment; transportation equipment (such as ships, aircraft, railway cars, containers, rigs, automobile fleets, etc.) **without** crew or operators; and all other machinery and equipment. Excludes rentals under leases that have been capitalized (capital leases), rentals of transportation equipment **with** crew, and rentals of any items other than machinery and equipment. (For example, excludes rentals of office buildings and other real estate, film rentals, and employee leasing.)
  28. **Other private services** – Includes transactions in only the following types of services: Language translation services, security services, collection services, actuarial services, salvage services, satellite photography services, and oil spill and toxic waste cleanup services; i.e., this category **excludes** transactions in services not on this list.

*For the convenience of the person in the company headquarters who is preparing the consolidated BE-22 report, please complete the following.*

Part or unit of company this Supplement A is for:

Name of person in the part or unit of the company to contact concerning this Supplement A

### TELEPHONE

Area code	Number	Extension
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## Specialized Surveys of Services

The Bureau of Economic Analysis (BEA) conducts five specialized surveys of services, each of which covers a particular service or a group of related services: The Annual Survey of Construction, Engineering, Architectural, and Mining Services Provided by U.S. Firms to Unaffiliated Foreign Persons; the Annual Survey of Reinsurance and Other Insurance Transactions by U.S. Insurance Companies With Foreign Persons; the Benchmark and Annual Surveys of Financial Services Transactions Between U.S. Services Providers and Unaffiliated Foreign Persons; and the Annual Survey of Royalties, License Fees, and Other Receipts and Payments for Intangible Rights Between U.S. and Unaffiliated Foreign Persons.

### *Survey of construction and related services*

The Annual Survey of Construction, Engineering, Architectural, and Mining Services Provided by U.S. Firms to Unaffiliated Foreign Persons (BE-47) covers the sales of these services.<sup>1</sup> The services may be performed in the United States or abroad.<sup>2</sup> The survey collects the following information for each project: A description of the project; the gross value of the new contracts received; the gross operating revenues or sales; U.S. merchandise exports included in the gross operating revenues; and related foreign expenses or disbursements. The data for the gross operating revenues, U.S. merchandise exports, and foreign expenses and disbursements are used to derive the estimates of receipts that are used in the balance of payments accounts.<sup>3</sup>

The transactions in these services may be financed by private U.S. sources or foreign sources, by U.S. Government grants or loans, by foreign governments, or by international organizations.

All U.S. persons who have new contracts with a gross value of \$1 million or more to provide the covered serv-

ices or who have received gross operating revenues of \$1 million or more for the covered services during the fiscal year are required to report. Subcontractors who provide services for another U.S. firm that is acting as a prime contractor are usually not required to report; instead, the prime contractor reports the entire project. The transactions are reported by type of service cross-classified by country.

The 1996 survey was sent to 459 U.S. persons.<sup>4</sup> When the preliminary 1996 estimates were prepared, 285 had submitted usable reports, 154 had claimed exemption, 22 were determined to no longer exist, and the remainder were delinquent or submitted unusable reports.

In BEA's first revision of the estimates, reported transactions usually account for at least 90 percent of receipts, and the estimate for missing reports is the remainder.

### **Services covered**

**Construction services** include services for constructing buildings; for heavy construction projects, such as highways, bridges and tunnels, docks and piers, pipelines, and communication and power lines; for specialized construction, such as erecting the structural steel for bridges and buildings and on-site plumbing, painting, electrical work, masonry, and carpentry.

**Engineering services** consist of the engineering services that relate to construction or mining projects. For engineering services that relate to the design of movable products and computer systems engineering, see **Industrial engineering** and **Computer and data processing services** in the surveys of selected services.

**Architectural services** include design services, mainly for businesses. Landscape architecture and graphic design services are excluded.

**Oil and gas field services** include drilling wells for oil and gas fields, erecting and dismantling oil and gas field drilling rigs and offshore drilling platforms, other oil and gas field services, and geophysical, geological, and other exploration services.

1. The purchases of these services are covered by the surveys of selected services.

2. An example of a service performed in the United States is a construction project for an international organization or foreign embassy in the United States. For balance-of-payments purposes, these organizations and embassies are "foreigners," even if they are permanently in the United States.

3. To avoid duplication and overstatement in the balance of payments accounts, receipts for these services are recorded on a net basis as gross operating revenues less the sum of the associated U.S. merchandise exports and foreign expenses.

4. The surveys are sent to U.S. persons who have previously filed a report and to U.S. persons who have not previously filed but who are believed likely to have transactions in the covered services. The mailing list is derived from information from Government sources, industry associations, business directories, and various periodicals.



### *Survey of reinsurance and other insurance transactions*

The Annual Survey of Reinsurance and Other Insurance Transactions by U.S. Insurance Companies With Foreign Persons (BE-48) covers reinsurance and primary insurance transactions by U.S. insurance companies with both affiliated and unaffiliated foreign persons. For primary insurance, the survey covers only U.S. sales.<sup>5</sup>

All U.S. persons whose total transactions in a covered service are \$1 million or more during the fiscal year are required to report. The transactions must be reported by type and must be cross-classified by country.

Transactions between a U.S. insurance company and a foreign person may also be arranged by, billed through, or otherwise facilitated by a broker, an agent, or an intermediary. In order to avoid duplication, such transactions are reported by the insurance company that assumes the risk or that recovers or pays the loss. Brokers, agents, and intermediaries generally do not report.

The 1996 survey was sent to 590 U.S. insurance companies.<sup>6</sup> When the preliminary 1996 estimates were prepared, 401 had submitted usable reports, 156 had claimed exemption, 19 were determined to no longer exist, and the remainder were delinquent or submitted unusable reports.

In the first revision of the estimates, reported transactions usually account for about 98 percent of both premiums and losses. The estimate for missing reports is the remainder.

### **Transactions covered**

This survey covers the following transactions: Premiums earned on reinsurance assumed from insurance companies resident abroad; losses incurred on reinsurance assumed from insurance companies resident abroad; premiums incurred on reinsurance ceded to insurance companies resident abroad; losses recovered on reinsurance ceded to insurance companies resident abroad; premiums earned on primary insurance sold to foreign persons; and losses incurred on primary insurance sold to foreign persons.

5. Purchases of primary insurance are covered in the surveys of selected services, for unaffiliated transactions, and in the surveys of direct investment, for affiliated transactions.

6. The surveys are sent to U.S. persons who have previously filed a report and to U.S. persons who have not previously filed but who are believed likely to have transactions in the covered services. The mailing list is derived from information from Government sources, industry associations, business directories, and various periodicals.

### *Surveys of financial services*

The Benchmark Survey (BE-80) and the Annual Survey (BE-82) of Financial Services Transactions Between U.S. Financial Services Providers and Unaffiliated Foreign Persons cover U.S. financial services providers' sales (receipts) of financial services to, and purchases (payments) of financial services from, unaffiliated foreign persons.<sup>7</sup> The annual survey covers all of the services included in the benchmark survey. Data on the different categories of financial services transactions covered by these surveys are used to prepare BEA's estimates of total financial services, but estimates are not published for each category.<sup>8</sup>

The first benchmark survey covered transactions in these services for 1994. The next benchmark survey will cover 1999 transactions. The annual surveys have been conducted for nonbenchmark years since 1995.

All U.S. financial services providers whose total sales or purchases in all the financial services combined exceed \$1 million during the benchmark fiscal year are required to report data by type of service in the benchmark survey. All U.S. financial services providers whose total sales or purchases in all the financial services combined exceed \$5 million are required to report data by type of service in the annual survey.

Providers who meet these criteria must supply data on the amount of their total sales or total purchases of each type of financial service in which their transactions exceeded the threshold amount. The data must also be disaggregated by country.

Providers whose total transactions in each type of financial service are at or below the threshold are requested to voluntarily provide an estimate, not disaggregated by country, for each type of service. If they choose not to provide estimates by type of service, they must provide estimates of their total sales and total purchases for all covered services combined.

The 1994 benchmark survey was sent to 7,233 U.S. persons.<sup>9</sup> When the first revision of the 1994 estimates

7. Purchases of financial services by U.S. persons who are not financial services providers are covered in the surveys of selected services, for transactions with unaffiliated foreigners, and in the surveys of direct investment, for transactions with affiliated foreigners.

8. In addition to the survey-based data, BEA's estimates of financial services include implicit fees paid and received on trading in outstanding bonds. Because these fees are not identifiable, they are not reported on survey questionnaires. Instead, bond fees are estimated using a bid-ask spread that is based on capital transactions data from the U.S. Department of the Treasury and information from market participants.

9. The surveys are sent to U.S. persons who have previously filed a report and to U.S. persons who have not previously filed but who are believed likely to have transactions in the covered services. The mailing list is derived from information from Government sources, industry associations, business directories, and various periodicals.

was prepared, 514 had submitted usable reports, 6,378 had claimed exemption, 728 were determined to no longer exist, and the remainder were delinquent or submitted unusable reports. The 1994 data were used to revise the estimates for 1992 and 1993.

The 1996 annual survey was sent to 3,881 U.S. persons. When the preliminary 1996 estimates were prepared, 388 had submitted usable reports, 2,069 had claimed exemption, 111 were determined to no longer exist, and the remainder were delinquent or submitted unusable reports.

A large number of U.S. persons that received report forms proved to be exempt because these mailings represent BEA's initial attempts to identify the universe of U.S. persons with transactions in the covered services; as the universe becomes more fully identified, it will become possible to reduce the number of persons to whom the surveys are sent.

Because 1994 was the first year for which a survey of financial services was conducted, there were no previously reported transactions on which to base an estimate for missing reports. The 1994 estimates of the different categories of financial services covered by the surveys are based upon reported transactions only. In future benchmark surveys, an estimate for missing reports will be used.

### Services covered

**Brokerage services except foreign-exchange brokerage services** consist of the execution of orders to purchase or to sell securities, options, futures, and other financial instruments excluding foreign currencies. See **Underwriting services** for transactions of a person who acts as a dealer and who risks losses.

**Private placement services** consist of arranging the sale of securities for another party through means other than on an exchange. These services exclude buying and selling securities for the account of the person doing the placement.

**Underwriting services** consist of buying and reselling all, or a substantial portion, of a new issue of securities. If an intermediary who does not own the securities executes the sale, the service is included in **Brokerage services**.

**Financial management services** consist of the management of financial portfolios through commodity pools, mutual funds, hedge funds, and trusts when the person who provides the service has the authority to direct the use or the investment of the assets. See **Financial advisory and custody services** for services where this authority is not present.

**Credit-related services (except credit card services)** consist of the following services: Renegotiating debt

terms; establishing, originating, maintaining, or arranging standby letters of credit and commercial or similar letters of credit, letters of indemnity, lines of credit, participation in acceptances, mortgages, and credit facilities; factoring services; issuing financial guarantees and loan commitments (to make or purchase loans); and arranging or entering into financial lease contracts.

**Credit card services** consist of the following services: Processing and servicing credit card transactions; reimbursements for telecommunications from or to foreign acquirers and issuers; protection from losses from a default in the processing network; credit authorization; listing lost or stolen credit card numbers in warning bulletins or on electronic files; resignation assessments or membership fees; and multicurrency conversions.

**Financial advisory and custody services** consist of the following services: Advisory services on mergers and acquisitions when the provider is not at risk of incurring a loss; investment newsletters or investment advice; advisory services on commodities trading and proxy voting; custody services (including payments and settlements services, such as mortgage servicing); and other advisory and custody services. The provider of these services has little or no discretion to act independently from the instructions provided by the investor or another principal.

**Securities-lending services** consist of the following services: Lending or borrowing securities; arranging loan terms and conditions; monitoring the value of collateral; providing guarantees against default; and providing other securities-lending services.

**Foreign-exchange brokerage services** consist of the execution of orders to exchange foreign currencies except by a person who is acting as a dealer or other principal and who is at risk of incurring losses. Excludes multicurrency conversion by credit card companies, which is included in **Credit card services**.

**Other financial services** consist of the following services: Account maintenance and service; asset pricing; securities rating; electronic funds transfer; mutual fund-related services, such as liquidating shares (exit fees), selling shares to investors (load charges), and marketing and advertising ("12b-1" fees); security redemptions or transfers; network services for automated teller machines; security clearing and settling; and miscellaneous brokerage services, such as arranging joint ventures.<sup>10</sup>

10. Real estate services, business services, and commodity or merchandise brokerage services are excluded, because they are not considered financial services.



### *Survey of royalties, license fees, and other transactions for intangible rights*

The Annual Survey of Royalties, License Fees, and Other Receipts and Payments for Intangible Rights Between U.S. and Unaffiliated Foreign Persons (BE-93) covers U.S. payments to, and receipts from, unaffiliated foreign persons for the sale or the use of intangible assets and proprietary rights. The survey covers the transactions of all U.S. persons who have entered into agreements with unaffiliated foreign persons to buy, sell, or use intangible assets or proprietary rights.

All U.S. persons who have either total covered receipts or total covered payments of \$500,000 during the fiscal year are required to report.

The 1996 survey was sent to 1,275 U.S. persons.<sup>11</sup> When the preliminary 1996 estimates were prepared, 532 had submitted usable reports, 432 had claimed exemption, 35 were determined to no longer exist, and the remainder were delinquent or submitted unusable reports. In the first revision of the estimates, reported transactions usually account for at least 95 percent of both receipts and payments. The estimate for missing reports is the remainder.

#### **Transactions covered**

**Industrial processes and products** covers the license fees, royalties, and other fees that are paid and received for the right to use patented industrial processes and products, trade secrets, and other proprietary rights and other intangible assets that are used in the production of goods. These transactions include "maintenance" fees paid to foreign governments for the continuation of patent rights.

**Books, records, and audio tapes** covers the royalties and other fees that are received or paid for the rights to perform, broadcast, reproduce, sell, or otherwise use

copyrighted material or other intellectual property, such as books, records, and audio tapes.

**Trademarks** covers the receipts and payments for the rights to sell products under a particular trademark, brand name, or signature. See also **Business-format franchising fees**.

**Performances and events prerecorded on motion picture film and TV tape** covers the royalties, rentals, license fees, and other receipts and payments for the rights to display, reproduce, or distribute material recorded on motion picture film or television tape by theaters and by network and cable television broadcasters and for the nontheatrical uses of these tapes and films.<sup>12</sup>

**Broadcast and recording of live performances and events** covers receipts and payments for the rights to record and to broadcast artistic performances, sports events, and other performances and events.

**General-use computer software** covers receipts and payments for the rights to distribute general-use software and the rights to reproduce or use general-use computer software that was electronically transmitted or made from a master copy. This category includes negotiated licensing fees for reproducing copies of general-use software for local area network computer systems, and it excludes the value of prepackaged general-use software that was physically shipped to or from the United States and included in merchandise trade statistics.

**Business-format franchising** covers the fees that are received and paid for the right to an ongoing business relationship that includes an entire business format. In addition to the right to market a product or service or to use a trademark, the business format may include a marketing strategy and plan, operating manuals and standards, quality control procedures, and continuing communications.

**Other intangibles** covers receipts and payments for any intangible rights that are not included in the other categories. This category includes the rights of communications carriers to secure capacity by indefeasible right of users.

11. The surveys are sent to U.S. persons who have previously filed a report and to U.S. persons who have not previously filed but who are believed likely to have transactions in the covered services. The mailing list is derived from information from Government sources, industry associations, business directories, and various periodicals.

12. In the international transactions accounts, these transactions are included in "other private services" rather than in "royalties and license fees."

## **APPENDIX**

The Annual Survey of Construction, Engineering, Architectural, and Mining Services  
Provided by U.S. Firms to Unaffiliated Foreign Persons (BE-47)

The Annual Survey of Reinsurance and Other Insurance Transactions  
by U.S. Insurance Companies With Foreign Persons (BE-48)

The Benchmark Survey of Financial Services Transactions  
Between U.S. Financial Services Providers and Unaffiliated Foreign Persons (BE-80)

The Annual Survey of Financial Services Transactions  
Between U.S. Financial Services Providers and Unaffiliated Foreign Persons (BE-82)

The Annual Survey of Royalties, License Fees, and Other Receipts and Payments  
for Intangible Rights Between U.S. and Unaffiliated Foreign Persons (BE-93)





**MANDATORY — CONFIDENTIAL**  
**ANNUAL SURVEY OF CONSTRUCTION, ENGINEERING,  
ARCHITECTURAL, AND MINING SERVICES PROVIDED BY U.S.  
FIRMS TO UNAFFILIATED FOREIGN PERSONS**

**ASSISTANCE** — Telephone (202) 606-5588  
during office hours — 8:00 a.m. to 4:00 p.m.  
eastern time.

**DUE DATE** — A completed Form BE-47 shall be  
due March 31 of the year after the U.S. Reporter's  
fiscal year covered by the report.

**MAIL  
REPORTS  
TO**  
U.S. Department of Commerce  
Bureau of Economic Analysis  
BE-50 (SSB)  
Washington, DC 20230

**DELIVER  
REPORTS  
TO**  
U.S. Department of Commerce  
Bureau of Economic Analysis  
BE-50 (SSB), Room M100  
1441 L Street, NW  
Washington, DC 20005

3. Annual report  
for fiscal year  
ending

Month	Day	Year
1001	1	1

4. Industry classification —  
Enter 3-digit code from the  
summary of industry  
classifications.

1002	1
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5. Primary Employer Identification Number (EIN) used by the U.S. Reporter  
to file U.S. income or payroll taxes

1003

2. Major activity of the U.S. Reporter and product or service involved in that activity

BEA USE ONLY Control number

1. Name and address of U.S. Reporter — Enter or correct as necessary.

**REPORT IN THOUSANDS OF U.S. DOLLARS**

Country (1)	BEA use only (2)	Service code (2)	Description of project (3)	Gross value of new contracts received (4)	Gross operating revenues (sales) (5)	Merchandise exports (6)	Foreign expenses or disbursements (7)	If project is a joint venture — Mark (X) one column	
								Data represent Own share (8)	Data to be reported by co-participant (10)
001	1	2	3	4	5	6	7	8	9
002	1	2	3	4	5	6	7	8	10
003	1	2	3	4	5	6	7	8	10
004	1	2	3	4	5	6	7	8	10
005	1	2	3	4	5	6	7	8	10
006	1	2	3	4	5	6	7	8	10
007	1	2	3	4	5	6	7	8	10

**EXEMPTION CLAIM —**

- The U.S. Reporter is not reporting data on this form because it — Mark (X) appropriate box.
- 1 ☐ Was not in existence at any time during the reporting period.
- 2 ☐ Is owned to the extent of more than 50% of its voting stock by  
another U.S. enterprise. — Specify ☒

Name

Address

City

State

ZIP Code

4 ☐ Had transactions with  
unaffiliated foreign persons  
but gross value of new  
contracts received and gross  
operating revenues were both  
less than \$1,000,000 for all  
foreign projects combined.

**PERSON TO CONSULT  
CONCERNING  
QUESTIONS ABOUT  
THIS REPORT — Enter  
name and address**

TELEPHONE NUMBER

Area code

Number

Extension

**CERTIFICATION** — The undersigned official certifies that this report has been prepared in accordance  
with the applicable instructions, is complete, and is substantially accurate except that, in accordance with  
V.G. of the instructions, estimates have been provided where data are not available from customary  
accounting records or precise data could not be obtained without undue burden.

Authorized official's signature

Print or type name and title

Date



## INSTRUCTIONS

Public reporting burden for this BE-47 report is estimated to average 5 hours per response. This burden includes time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate to Director, Bureau of Economic Analysis (BE-1), U.S. Department of Commerce, Washington, DC 20230; and to the Office of Management and Budget, Paperwork Reduction Project 0608-0015, Washington, DC 20503.

**Purpose** – Reports on this form are required in order to obtain reliable and up-to-date information on U.S. sales to unaffiliated foreign persons of construction, engineering, architectural, and mining services. The information will be used to formulate U.S. policy, and to analyze the impact of that policy and the policies of foreign countries, on international trade in such services. The data will also be used in compiling the U.S. balance of payments accounts.

**Authority** – The filing of reports for this survey is authorized by Section 3103 of the International Investment and Trade in Services Survey Act, Pub. Law No. 472, 94th Congress, 90 Stat. 2059, 22 U.S.C. 3101 through 3108, as amended by Pub. Law 98-573 and P.L. 101-533 (hereinafter "the Act"). The survey has been approved by the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. 3501 et seq.). Regulations for this survey may be found in 15 CFR, Part 801.

**Penalties** – Filing of reports on this form is mandatory. Whoever fails to report may be subject to a civil penalty of not less than \$2,500, and not more than \$25,000, and to injunctive relief commanding such person to comply, or both. Whoever willfully fails to report shall be fined not more than \$10,000 and, if an individual, may be imprisoned for not more than one year, or both. Any officer, director, employee, or agent of any corporation who knowingly participates in such violation, upon conviction, may be punished by a like fine, imprisonment, or both (See 22 U.S.C. 3105.). Notwithstanding the above, a U.S. person is not subject to any penalty for failure to report if a valid Office of Management and Budget control number is not displayed on the form; such a number (0608-0015) is displayed on this form.

**Confidentiality** – The Act provides that your report to this Bureau is CONFIDENTIAL. It also provides that your report may be used only for analytical or statistical purposes and CANNOT be used for purposes of taxation, investigation, or regulation. Copies retained in your files are immune from legal process.

### I. WHO IS TO REPORT AND GENERAL COVERAGE

- A.1.** Form BE-47 must be filed by each U.S. person (other than U.S. Government agencies) providing the following types of services on a contract, fee, or similar basis to unaffiliated foreign persons: the services of general contractors in the fields of building construction and heavy construction; construction work by special trade contractors, such as the erection of structural steel for bridges and buildings and on-site electrical work; services of a professional nature in the fields of engineering, architecture, and land surveying; and mining services in the development and operation of mineral properties, including oil and gas field services.
- 2.** In terms of the BEA service codes, which are to be used to categorize the data in this report, and the Standard Industrial Classification (SIC) system, this group of services includes:

Service Code No.	Title	1987 SIC-equivalent code
150	Building construction – General contractors and operative builders	15
	Construction other than building construction – General contractors	16
	Construction – Special trade contractors	17
108	Metal mining services	108
124	Coal mining services	124
138	Oil and gas field services	138
148	Nonmetallic minerals services, except fuels	148
8711	Engineering services	Part of 8711
8712	Architectural services	8712
8713	Surveying services	8713

**B. Exemption** – Any U.S. person otherwise required to report is exempted from reporting if, for all countries and all projects combined, the gross value of new contracts received and gross operating revenues (columns (4) and (5) are both less than \$1,000,000. If either the gross value of new contracts received or gross operating revenues is \$1,000,000 or more, then a report is required.

**C.** A project is considered foreign if it is located abroad, is undertaken for an international organization, whether located in the United States or abroad, or is undertaken for a foreign embassy or consulate in the United States. (See special treatment of projects for international organizations under **What to Report**, below.)

**D.** In the case of work carried out on foreign projects through foreign project (job site) offices and "temporary" foreign branches, the activities of such entities should be considered part of the U.S. business enterprise filing this report and the data reported on this form should cover the consolidated activities. Where work on foreign projects is carried out through permanently established branches or subsidiaries operating abroad (i.e., through foreign affiliates), the reporting company, as parent, should report its intercompany transactions with these affiliates on a separate Form BE-577. The parent must also file a separate Form BE-11 to report financial and operating data for these affiliates. The BE-577 and BE-11 are mandatory reports; copies may be requested from this Bureau at (202) 606-5566. Data for, or on transactions with, foreign affiliates should **not** be included on this Form BE-47.

Although the definitions of direct investment and foreign affiliate should be sufficient to determine whether a given activity is or is not a foreign affiliate, in a number of cases the determination may be difficult. Several factors to be considered are given below. If you still cannot determine if the activity or operation is an affiliate, call (202) 606-5588 for additional guidance. Also, if you think that an activity or operation currently reported as an affiliate is incorrect, please call and a determination of future reporting status will be made.

If a U.S. person's foreign activity or operation is incorporated abroad, it is a foreign affiliate.

If a U.S. person's foreign activity or operation is NOT incorporated abroad, its status is based on the weight of the evidence when the factors listed below are considered. An unincorporated foreign activity or operation generally **WOULD** be considered a foreign affiliate if it: (i) pays foreign income taxes; (ii) has a substantial physical presence abroad (e.g., plant and equipment or employees); (iii) maintains separate financial records that would permit the preparation of financial statements, including an income statement and balance sheet (not just a record of disbursements and receipts); (iv) takes title to the goods it sells and receives revenues therefrom; or (v) receives funds for its own account from customers for services it performs.

An unincorporated foreign activity or operation generally **WOULD NOT** be considered a foreign affiliate if it: (i) conducts business abroad only for the U.S. person's account and not for its own account (e.g., sales promotion or public relations type of activities); (ii) has no separate financial statements; (iii) receives funds to cover its expenses only from the U.S. person; (iv) pays no foreign income taxes; and (v) has limited physical assets, or employees, permanently located abroad.

**E.** Do not complete this form if the sole relationship you have with a foreign project is services performed in connection with the manufacture of equipment and machinery for export abroad, where the specific cost of these services is part of the price of the goods declared on the Shippers Export Declaration filed with the U.S. Customs Service. However, a contract to provide technical services at a price over and above that entered on the export declaration should be included on this form.

**F. Joint ventures** – Use a separate line to report each joint venture contract and identify as such by marking one of columns (8)–(10). To avoid duplication or omission, each participant should, if possible, report data in columns (4) through (7) only for its **own share** in a joint venture operation, and should mark column (8). If this is not possible, each co-participant not reporting the data should identify the project by foreign country and description (columns (1) and (3)), mark column (10), and then give, on a separate sheet, referenced to the country and project, the name of the co-participant who is filing the consolidated joint venture report. The co-participant filing the consolidated report should give the consolidated data in columns (4) through (7), and should mark column (9).

## II. WHAT TO REPORT

- A. Report information on services carried out or performed for unaffiliated foreign persons, whether the service you provide is carried out or performed in the United States or abroad.
- B. Report retainer-fee type contracts of a continuing nature where no definite contract termination is stipulated, if the contract is with an unaffiliated foreign person.
- C. Report information on all projects for unaffiliated foreign persons, whether financed by private U.S. or foreign sources, U.S. Government grants or loans (e.g., from the Agency for International Development or Export-Import Bank), foreign governments, or by international organizations.
- D. Report information on foreign projects that are for U.S. Government nonmilitary agencies, or that are part of an aid or technical cooperation program of the U.S. Government with foreign persons. An example of the former is construction of a U.S. embassy building in a foreign country; an example of the latter is services provided in the United States or abroad to the Agency for International Development in connection with foreign projects that it is financing.
- E. Report projects for international organizations. According to balance of payments conventions, all international organizations are considered unaffiliated foreign persons and, therefore, all projects for them are considered foreign, even if the organization is domiciled, or the project is located, in the United States. Therefore, a project in the United States undertaken for an international organization should be reported as a foreign project. For example, the construction of an office building in Washington, DC for the International Monetary Fund should be reported as a foreign project undertaken for an unaffiliated foreign person and "international organization - United States" should be entered in column (1).
- F. Report projects undertaken in the United States for a foreign embassy or consulate in the United States.
- G. Report contracts entered into with a U.S. person if the project is located, or is to be located, in a foreign country. This is intended to include contracts entered into with a U.S. parent company in connection with that company's plants and installations abroad.

## III. WHAT NOT TO REPORT

- A. Do **not** report services provided to the U.S. Department of Defense or any of its agencies, such as the Corps of Engineers. For example, do not report receipts for services on projects managed or supervised by the Corps of Engineers and on projects arranged through the Foreign Military Sales program of the Department of Defense.
- B. Do **not** report services performed abroad for your own account, rather than under contract to others, e.g., oil companies performing petroleum and gas exploration services for their own account should not report those activities on this form.
- C. Do **not** report amounts received from unaffiliated foreign persons pursuant to licensing-fee and royalty arrangements for the use of patents, industrial processes, etc. Report these on Form BE-93.
- D. Do **not** report receipts for services provided to U.S. offices or facilities of foreign airlines and vessel operators. These are reported by those persons in other BEA surveys.
- E. Do **not** report industrial engineering services that are associated with the design of movable products; such services should be reported on Form BE-20 or BE-22. Report on this form only those engineering services that are associated with a foreign construction or mining services project.
- F. Do **not** report a subcontract entered into directly with another U.S. contracting or engineering firm which is acting as prime contractor on a foreign project and filing a separate return on this form. (In this case, the payments received by you from the U.S. prime contractor would duplicate the payments received and reported by the prime contractor as reimbursement for his U.S. subcontract costs.)

## IV. DEFINITIONS

- A. **U.S. Reporter** is the U.S. person filing a report in this survey. If the U.S. person is an incorporated business enterprise, the U.S. Reporter is the fully consolidated U.S. domestic enterprise consisting of the U.S. corporation which is not owned to the extent of more than 50 percent of its voting stock by another U.S. corporation, and all other U.S. corporations (including a Foreign Sales Corporation located in the United States) whose voting securities are more than 50-percent owned by the U.S. Corporation above it.

- B. **United States**, when used in a geographic sense, means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and all the territories and possessions of the United States.
- C. **Foreign**, when used in a geographic sense, means that which is situated outside the United States or which belongs to or is characteristic of a country other than the United States.
- D. **Person** means any individual, branch, partnership, associated group, association, estate, trust, corporation, or other organization (whether or not organized under the laws of any State), and any government (including a foreign government, the United States Government, a State or local government, and any agency, corporation, financial institution, or other entity or instrumentality thereof, including a government sponsored agency).
  - 1. **United States person** means any person resident in the United States or subject to the jurisdiction of the United States.
  - 2. **Foreign person** means any person resident outside the United States or subject to the jurisdiction of a country other than the United States.
- E. **Business enterprise** means any organization, association, branch or venture which exists for profitmaking purposes or to otherwise secure economic advantage, and any ownership of any real estate. (A business enterprise is a "person" within the definition in paragraph D above.)
- F. **Direct Investment** means the ownership or control, directly or indirectly, by one person of 10 per centum or more of the voting stock of an incorporated business enterprise, or an equivalent ownership interest in an unincorporated business enterprise.
- G. **Parent** means a person of one country who, directly or indirectly, owns or controls 10 per centum or more of the voting stock of an incorporated business enterprise or an equivalent ownership interest in an unincorporated business enterprise, which is located outside that country.
  - 1. **U.S. parent** means the U.S. person that has direct investment in a foreign business enterprise.
  - 2. **Foreign parent** means the foreign person, or the first person outside the United States in a foreign chain of ownership, which has direct investment in a U.S. business enterprise, including a branch.
- H. **Affiliated foreign group** means (i) the foreign parent, (ii) any foreign person, proceeding up the foreign parent's ownership chain, which owns more than 50 per centum of the person below it up to and including that person which is not owned more than 50 per centum by another foreign person, and (iii) any foreign person, proceeding down the ownership chain(s) of each of these members, which is owned more than 50 per centum by the person above it.
- I. **Affiliate** means a business enterprise located in one country which is directly or indirectly owned or controlled by a person of another country to the extent of 10 per centum or more of its voting stock for an incorporated business or an equivalent interest for an unincorporated business, including a branch.
  - 1. **Foreign affiliate** means an affiliate located outside the United States in which a U.S. person has direct investment.
  - 2. **U.S. affiliate** means an affiliate located in the United States in which a foreign person has direct investment.
- J. **Affiliated foreign person** means, with respect to a given U.S. person, (i) a foreign affiliate of which the U.S. person is a U.S. parent, or (ii) the foreign parent or other member of the affiliated foreign group of which the U.S. person is a U.S. affiliate.
- K. **Unaffiliated foreign person** means, with respect to a given U.S. person, any foreign person that is not an affiliated foreign person as defined in paragraph J above.

- L. **Fiscal year** is the financial reporting year that has an ending date in a given calendar year. For example, fiscal year 19X1 is the U.S. Reporter's financial reporting year that has an ending date in calendar year 19X1. For a person that does not have a financial reporting year, or does not have a financial reporting year ending in a given calendar year, its fiscal year is deemed to be the same as the calendar year.

- M. **Country** means, for purposes of this survey, the country of location of the project carried out or performed for foreign persons.



## V. REPORTING PROCEDURES

- A. Reporting period** – Form BE-47 is an annual report; one report is to be filed for each fiscal year of the U.S. Reporter. The Reporter's fiscal year is its financial reporting year that has an ending date in a given calendar year. (See **Definitions**, IV.L.)
- B. Due date** – Reports are due March 31 of the year after the U.S. Reporter's fiscal year covered by the report.
- C. Extension** – Requests for an extension of the reporting deadline will not normally be granted. However, in a hardship case, a written request for an extension will be considered provided it is received at least 15 days before the due date of the report and enumerates substantive reasons necessitating the extension. BEA will provide a written response to such a request.
- D. For assistance or additional copies of the forms** – Phone (202) 606-5588 between 8:00 a.m. and 4:00 p.m. eastern time.
- E. Response required** – If you received this form directly from BEA, a response is required, by either reporting data or completing the Exemption Claim, and by completing the "Person to Consult" and "Certification" sections of the form and returning the form to BEA.
- F. Rounding** – Currency amounts should be reported in U.S. dollars rounded to thousands (omitting 000). For example, if the amount is \$1,334,515.00, report it as \$1,335.
- G. Estimates** – If actual figures are not available, estimates should be supplied and labeled as such. When data items cannot be fully subdivided as required, totals and an estimated breakdown of the totals should be supplied.
- H. Original and file** – A single original copy of the form must be filed with BEA. Please use the copy with the address label if such a labeled copy has been provided. In addition, each U.S. Reporter must retain a copy of its report for three years to facilitate resolution of problems.

## VI. SPECIFIC ITEM OR COLUMN INSTRUCTIONS

**Item 2** – State the major activity and product or service in which your firm is involved. For example, "Construction – General contractor."

**Item 3** – Enter ending date for your fiscal year.

**Item 4, Industry classification of the U.S. Reporter** – Enter the 3-digit ISI code, from the **Guide to Industry and Foreign Trade Classifications for International Surveys** which best covers the activity of your company. For an incorporated entity, this should be the industry code for the fully consolidated U.S. domestic enterprise (see **Definitions**, IV.A.), and not just the part or subsidiary supplying the service.

**Column (1), Country** – Enter the country of location of foreign projects. If a project is being performed in the United States, enter the location of the purchaser of services (i.e., either an individual foreign country, or "international organization – United States" – see II.E. of these instructions). Use a separate line for each contract (project) or for each group of related contracts in each country.

**Column (2), Service code** – Enter the service code from I.A.2., on page 1 of the instructions, which most accurately describes the service you are providing on this project.

**Column (3), Description of project** – Enter a brief written description of the project for which you are providing a service. Examples are: Construction of dam (or refinery, office building, etc.), enlargement of port facilities, and repair of chemical plant.

**Column (4), Gross value of new contracts received** – Enter the gross amount expected to be received over the life of each contract awarded to the U.S. Reporter during the year covered by the report. Include both the amount, if any, that is entered in gross operating revenues (column (5)) for the reporting period covered by this report (i.e., amounts accrued in the year the contract was awarded) and funds that will enter gross operating revenues in future periods, as the contract is fulfilled.

**Column (5), Gross operating revenues** – Report revenues (sales) as recorded on your books for the value of services provided and/or construction completed during the reporting period.

**Column (6), Merchandise exports** – Report the value of merchandise exports from the United States during the reporting period that were made in connection with the project. Exports should include the value of equipment, supplies, materials, etc., and should equal the amounts reported on the Shippers Export Declarations filed with the U.S. Bureau of Customs plus the cost of transporting the goods to foreign destinations.

**Column (7), Foreign expenses or disbursements** – Include salaries and wages transmitted or disbursed abroad; expenses or outlays for services (including purchases from foreign subcontractors), material, and equipment purchased abroad; and other foreign expenses (e.g., local taxes and fees for permits). (Do not include purchases of material and equipment for import into the United States.)

**Columns (8) through (10)** – See I.F. on page 1 of the instructions. In particular, note that if column (10) is marked, you must give on a separate sheet of paper the name of the co-participant who is filing the joint venture report.

FORM **BE-48**  
(REV. 8/96)U.S. DEPARTMENT OF COMMERCE  
BUREAU OF ECONOMIC ANALYSIS**MANDATORY - CONFIDENTIAL**  
**ANNUAL SURVEY OF REINSURANCE AND**  
**OTHER INSURANCE TRANSACTIONS BY**  
**U.S. INSURANCE COMPANIES WITH**  
**FOREIGN PERSONS****MAIL**  
**REPORTS**  
**TO**U.S. Department of Commerce  
Bureau of Economic Analysis  
BE-50 (SSB)  
Washington, DC 20230

OR

**DELIVER**  
**REPORTS**  
**TO**U.S. Department of Commerce  
Bureau of Economic Analysis  
BE-50 (SSB), Room M100  
1441 L Street, NW  
Washington, DC 20005**BEA USE ONLY Control number****1. Name and address of reporting insurance company or group****Assistance** - Telephone (202) 606-5588  
during office hours - 8:00 a.m. to 4:00 p.m.  
eastern time.**Due date** - A completed report on Form  
BE-48 shall be due March 31 of the year  
after the U.S. Reporter's fiscal year covered  
by the report.**2. Annual report for fiscal**  
**year ending**

1001

Month	Day	Year
1	1	1

**3. Principal insurance/organization****a. Principal line of insurance****b. Type of organization**

1002

- ☐ 1 Life insurance
- ☐ 2 Property and casualty insurance
- ☐ 3 Other - Specify ☒

- ☐ 1 Insurance company
- ☐ 2 Insurance broker
- ☐ 3 Insurance group - Attach list of member companies.

**4. Primary Employer Identification Number (EIN) used by the U.S. Reporter to file U.S. income tax or payroll taxes**

1003

**5. Separate forms BE-48 are to be filed to report transactions with (1) your foreign affiliates, (2) your foreign parent(s) and other members of the affiliated foreign group (AFG), and (3) unaffiliated foreign persons. This form BE-48 covers transactions with - Mark (X) one**

1004

☐ 1 Foreign affiliates

1005

☐ 2 Foreign parent(s) and other members of the AFG

1006

☐ 3 Unaffiliated foreign persons**REPORT IN THOUSANDS OF U.S. DOLLARS, ON AN ACCRUAL BASIS**

Country		BEA USE ONLY		REPORT IN THOUSANDS OF U.S. DOLLARS, ON AN ACCRUAL BASIS						
				Part I Reinsurance assumed from insurance companies resident abroad		Part II Reinsurance ceded to insurance companies resident abroad		Part III Primary insurance sold to foreign persons		
				Premiums earned (3)	Losses (4)	Premiums incurred (5)	Losses (6)	Premiums earned (7)	Losses (8)	
2	(1)	(2)								
1. All countries, total	01	1	2	3	4	5	6	7	8	
2. Australia	02	1	601	2	3	4	5	6	7	8
3. Belgium	03	1	302	2	3	4	5	6	7	8
4. Bermuda	04	1	252	2	3	4	5	6	7	8
5. Brazil	05	1	202	2	3	4	5	6	7	8
6. Canada	06	1	100	2	3	4	5	6	7	8
7. China, P.R. of	07	1	650	2	3	4	5	6	7	8
8. Denmark	08	1	305	2	3	4	5	6	7	8
9. Finland	09	1	306	2	3	4	5	6	7	8
10. France	10	1	307	2	3	4	5	6	7	8
11. Germany	11	1	308	2	3	4	5	6	7	8
12. Ireland	12	1	313	2	3	4	5	6	7	8
13. Israel	13	1	504	2	3	4	5	6	7	8
14. Italy	14	1	314	2	3	4	5	6	7	8
15. Japan	15	1	614	2	3	4	5	6	7	8
16. Mexico	16	1	213	2	3	4	5	6	7	8
17. Netherlands	17	1	319	2	3	4	5	6	7	8
18. Norway	18	1	320	2	3	4	5	6	7	8
19. South Korea	19	1	626	2	3	4	5	6	7	8
20. Spain	20	1	323	2	3	4	5	6	7	8
21. Sweden	21	1	324	2	3	4	5	6	7	8
22. Switzerland	22	1	325	2	3	4	5	6	7	8
23. United Kingdom	23	1	327	2	3	4	5	6	7	8
Other countries with which transactions were \$50,000 or more - Specify country (Use supplemental copied sheets as necessary.)										
24.	24	1	2	3	4	5	6	7	8	
25.	25	1	2	3	4	5	6	7	8	
26.	26	1	2	3	4	5	6	7	8	
27.	27	1	2	3	4	5	6	7	8	
28.	28	1	2	3	4	5	6	7	8	
29.	29	1	2	3	4	5	6	7	8	
30.	30	1	2	3	4	5	6	7	8	
31.	31	1	2	3	4	5	6	7	8	
32. Countries with which transactions were less than \$50,000 each, total	32	1	709	2	3	4	5	6	7	8
BEA USE ONLY →		33	1	2	3	4	5	6	7	8

**EXEMPTION CLAIM -**

The U.S. Reporter is not reporting data on this form because it - Mark (X) appropriate box.

- ☐ 1 Had no reportable transactions for the fiscal year.      ☐ 3 Was not in existence any time during the reporting period.
- ☐ 2 Had transactions of less than \$1,000,000 for each of the six items listed in **Instruction I.A.2.**

**PERSON TO CONSULT CONCERNING QUESTIONS ABOUT THIS REPORT - Enter name and address****CERTIFICATION** - The undersigned official certifies that this report has been prepared in accordance with the applicable instructions, is complete, and is substantially accurate except that, in accordance with V.G of the **Instructions**, estimates have been provided where data are not available from customary accounting records or precise data could not be obtained without undue burden.

Authorized official's signature

TELEPHONE NUMBER

Area code

Number

Extension

Print or type name and title

Date



## INSTRUCTIONS

Public reporting burden for this BE-48 report is estimated to average 4 hours per response. This burden includes time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate to Director, Bureau of Economic Analysis (BE-1), U.S. Department of Commerce, Washington, DC 20230; and to the Office of Management and Budget, Paperwork Reduction Project 0608-0016, Washington, DC 20503.

**Purpose** - Reports on this form are required in order to obtain reliable and up-to-date information on transactions between U.S. insurance companies and foreign persons. The information will be used to formulate U.S. policy, and to analyze the impact of that policy and the policies of foreign countries, on such international transactions. The data will also be used in compiling the U.S. balance of payments accounts.

**Authority** - The filing of reports for this survey is authorized by Section 3103 of the International Investment and Trade in Services Survey Act, P.L. 94-472, 90 Stat. 2059, 22 U.S.C. 3101 to 3108, as amended by P.L. 98-573 and P.L. 101-533 (hereinafter "the Act"). Regulations for the survey may be found in 15 CFR Part 801.

**Penalties** - Whoever fails to report may be subject to a civil penalty of not less than \$2,500, and not more than \$25,000, and to injunctive relief commanding such person to comply, or both. Whoever willfully fails to report shall be fined not more than \$10,000 and, if an individual, may be imprisoned for not more than one year, or both. Any officer, director, employee, or agent of any corporation who knowingly participated in such violations, upon conviction, may be punished by a like fine, imprisonment, or both. (See 22 U.S.C. 3105.) Notwithstanding the above, a U.S. person is not subject to any penalty for failure to report if a valid Office of Management and Budget control number is not displayed on the form; such a number (0608-0016) is displayed on this form.

**Confidentiality** - The Act provides that your report to this Bureau is CONFIDENTIAL. It also provides that your report may be used only for analytical or statistical purposes and CANNOT be used for purposes of taxation, investigation, or regulation. Copies retained in your files are immune from legal process.

## I. WHO IS TO REPORT AND GENERAL COVERAGE

## A. Who Must Report

1. Reports on Form BE-48 are required from U.S. persons who have engaged in reinsurance transactions with foreign persons, or who have earned premiums from, or incurred losses to, foreign persons in the capacity of primary insurers.
  2. **Exemption** - A U.S. person otherwise required to report is exempted from reporting if, with respect to transactions with foreign persons, each of the following six items was between positive \$1,000,000 and negative \$1,000,000 in the reporting period, on an accrual basis: (1) premiums earned, and (2) losses, on reinsurance assumed; (3) premiums incurred, and (4) losses, on reinsurance ceded; and (5) premiums earned, and (6) losses, on primary insurance sold. If any of these items is outside the range of positive or negative \$1,000,000 in the reporting period, a report must be filed.
- B. Transactions involving a broker** - At times, insurance transactions between a U.S. person and a foreign person may be arranged by, billed through, or otherwise facilitated by, a broker, agent, or intermediary. In order to avoid duplication, the data should be reported by the insurance company assuming the risk or recovering or paying the loss. Brokers, agents, and intermediaries are generally not to report.

## II. WHAT TO REPORT

- A.** Report transactions with affiliated foreign persons, as well as with unaffiliated foreign persons (see **Definitions**, IV.J. and K.). **File separate forms BE-48 to report transactions with (1) your foreign affiliates, (2) your foreign parent(s) and other members of the affiliated foreign group, and (3) unaffiliated foreign persons.**
- B.** Report transactions with alien insurance groups, whether or not funds remitted to and from these organizations are cleared through their American Trust Funds.
- C.** Note that the criterion for reporting is whether the transaction is between a U.S. person and a foreign person. It is immaterial whether the assets insured are located in the United States or abroad.
- D.** Report transactions with U.S. affiliates of foreign firms **for the account of their foreign parent firm.** (Report them on the form covering your transactions with unaffiliated foreign persons.)
- E.** Report transactions with foreigners made by your foreign affiliate **for your account.** (Report them on the form covering your transactions with unaffiliated foreign persons.)

## III. WHAT NOT TO REPORT

- A.** Do **not** report transactions with U.S. affiliates of foreign firms for their own account. Transactions with these U.S. affiliates are considered domestic-to-domestic for purposes of this survey.
- B.** Do **not** report transactions with foreigners made by your foreign affiliates **for their own account.**
- C.** Do **not** report premiums to, or losses from, foreign insurance companies on primary, or direct, insurance. Premiums on such insurance purchased from foreign insurance companies are to be reported on Form BE-20, Form BE-22, Form BE-577, or Form BE-605.

## IV. DEFINITIONS

- A. Insurance company**, for purposes of this survey, includes insurance carriers of all types, and groups of such companies.
- B. United States**, when used in a geographic sense, means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and all the territories and possessions of the United States.
- C. Foreign**, when used in a geographic sense, means that which is situated outside the United States or which belongs to or is characteristic of a country other than the United States.
- D. Person** means any individual, branch, partnership, associated group, association, estate, trust, corporation, or other organization (whether or not organized under the laws of any State), and any government (including a foreign government, the United States Government, a State or local government, and any agency, corporation, financial institution, or other entity or instrumentality thereof, including a government sponsored agency).

1. **United States person** means any person resident in the United States or subject to the jurisdiction of the United States.
2. **Foreign person** means any person resident outside the United States or subject to the jurisdiction of a country other than the United States.

**E. Business enterprise** means any organization, association, branch or venture which exists for profitmaking purposes or to otherwise secure economic advantage, and any ownership of any real estate. (A business enterprise is a "person" within the definition in paragraph D above.)

**F. Direct investment** means the ownership or control, directly or indirectly, by one person of 10 per centum or more of the voting stock of an incorporated business enterprise, or an equivalent ownership interest in an unincorporated business enterprise.

**G. Parent** means a person of one country who, directly or indirectly, owns or controls 10 per centum or more of the voting stock of an incorporated business enterprise or an equivalent ownership interest in an unincorporated business enterprise, which is located outside that country.

1. **U.S. parent** means the U.S. person that has direct investment in a foreign business enterprise.

2. **Foreign parent** means the foreign person, or the first person outside the United States in a foreign chain of ownership, which has direct investment in a U.S. business enterprise, including a branch.

**H. Affiliated foreign group** means (i) the foreign parent, (ii) any foreign person, proceeding up the foreign parent's ownership chain, which owns more than 50 per centum of the person below it up to and including that person which is not owned more than 50 per centum by another foreign person, and (iii) any foreign person, proceeding down the ownership chain(s) of each of these members, which is owned more than 50 per centum by the person above it.

**I. Affiliate** means a business enterprise located in one country which is directly or indirectly owned or controlled by a person of another country to the extent of 10 per centum or more of its voting stock for an incorporated business or an equivalent interest for an unincorporated business, including a branch.

1. **Foreign affiliate** means an affiliate located outside the United States in which a U.S. person has direct investment.

2. **U.S. affiliate** means an affiliate located in the United States in which a foreign person has direct investment.

**J. Affiliated foreign person** means, with respect to a given U.S. person, (i) a foreign affiliate of which the U.S. person is a U.S. parent, or (ii) the foreign parent or other member of the affiliated foreign group of which the U.S. person is a U.S. affiliate.

**K. Unaffiliated foreign person** means, with respect to a given U.S. person, any foreign person that is not an affiliated foreign person as defined in paragraph J above.

**L. Fiscal year** is the financial reporting year that has an ending date in a given calendar year. For example, fiscal year 19X1 is the U.S. Reporter's financial reporting year that has an ending date in calendar year 19X1. For a person that does not have a financial reporting year, or does not have a financial reporting year ending in a given calendar year, its fiscal year is deemed to be the same as the calendar year.

**M. Country** means the country of location of the foreign person with whom a transaction has occurred.

## V. REPORTING PROCEDURES

- A. Reporting period** - Form BE-48 is an annual report, to be filed covering each fiscal year of the U.S. Reporter. A given fiscal year for a U.S. Reporter is the Reporter's financial reporting year that has an ending date in the same calendar year. (See **Definitions**, IV.L.)
- B. Due date** - Reports are due March 31 of the year after the U.S. Reporter's fiscal year covered by the report.
- C. Extension** - Requests for an extension of the reporting deadline will not normally be granted. However, in a hardship case, a written request for an extension will be considered provided it is received at least 15 days before the due date and enumerates substantive reasons necessitating the extension. BEA will provide a written response to such a request.
- D. For assistance or additional copies of the forms** - Phone (202) 606-5588 between 8:00 a.m. and 4:00 p.m. eastern time.
- E. Response required** - If you received this form directly from BEA, a response is required, by either reporting data or completing the Exemption Claim, and by completing the "Person to Consult" and "Certification" sections of the form and returning the form to BEA.
- F. Rounding** - Currency amounts should be reported in U.S. dollars rounded to thousands (omitting 000). For example, if the amount is \$1,334,515.00, report as \$1,335.
- G. Estimates** - If actual figures are not available, estimates should be supplied and labeled as such. When data items cannot be fully subdivided as required, totals and an estimated breakdown of the totals should be supplied.
- H. Original and file copies** - A single original copy of the form must be filed with BEA. Please use the copy with the address label if such a labeled copy has been provided. In addition, each U.S. Reporter must retain a copy of its report for three years to facilitate resolution of problems.

## VI. SPECIFIC ITEM INSTRUCTIONS

**For property and casualty insurance companies** - Calculate columns (3), (5), and (7) as follows:

Premiums written (columns (3) and (7)) or ceded (column (5)) during the reporting year, plus unearned premiums at the beginning of the current year, minus unearned premiums at the end of the current year. Report premiums recorded net of cancellations, commissions, and profit commissions.

**Calculate columns (4), (6), and (8) as follows:**

Losses paid (columns (4) and (8)) or recovered (column (6)) during the current year, plus case reserves at the end of the current year, plus losses incurred but not reported at the end of the current year, minus case reserves at the beginning of the current year, minus losses incurred but not reported at the beginning of the current year. Losses paid or recovered should not include loss adjustment expenses. Loss adjustment expenses should be reported as sales or purchases of legal services on Form BE-20 or BE-22.

**For life insurance companies:**

Premiums received (columns (3) and (7)) and paid (column (5)) reflect premiums accrued on reinsurance assumed from or ceded to insurance companies resident abroad, or premiums accrued on primary insurance sold to foreign persons, respectively. These amounts, therefore, are adjusted for changes in due, deferred, and advance premiums. Report amounts net of cancellations and commissions.

Losses paid (columns (4) and (8)) and recovered (column (6)) reflect policy claims on reinsurance assumed or ceded, or primary insurance sold, adjusted for changes in claims due, unpaid, and in course of settlement.

**FORM BE-80(A) (Report for Consolidated U.S. Enterprise)**U.S. DEPARTMENT OF COMMERCE  
BUREAU OF ECONOMIC ANALYSIS**MANDATORY — CONFIDENTIAL  
BENCHMARK SURVEY OF  
FINANCIAL SERVICES  
TRANSACTIONS BETWEEN U.S.  
FINANCIAL SERVICES  
PROVIDERS AND UNAFFILIATED  
FOREIGN PERSONS****MAIL  
REPORTS  
TO**U.S. Department of Commerce  
Bureau of Economic Analysis  
BE-50(SSB)  
Washington, DC 20230**OR****DELIVER  
REPORTS  
TO**U.S. Department of Commerce  
Bureau of Economic Analysis  
BE-50(SSB)  
Shipping & Receiving, Room M-100  
1441 L Street, NW  
Washington, DC 20005

Public reporting burden for this collection of information (consisting of Form BE-80(A) and, as appropriate, one or more Forms BE-80(B)) is estimated to vary from 4 to 150 hours per response, with an average of 7.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate, including suggestions for reducing this burden, to Director, Bureau of Economic Analysis (BE-1), U.S. Department of Commerce, Washington, DC 20230; and to the Office of Management and Budget, Paperwork Reduction Project 0608-0062, Washington, DC 20503.

**BEA USE ONLY**

Control number

0 0 0 A

**Part I NAME, ADDRESS, AND DETERMINATION OF REPORTING STATUS****1. Name and address of the consolidated U.S. enterprise —**  
*Enter or correct as necessary.*

Form BE-80(A) covers all subsidiaries and parts of the consolidated U.S. enterprise that are financial services providers or intermediaries combined. If you are not the top U.S. parent corporation in the consolidated enterprise, you may need to contact your top parent corporation to ensure that the information provided is for all reportable units of the enterprise combined.

- A. Due date** — A completed Form BE-80, consisting of Form BE-80(A) and, as appropriate, one or more Forms BE-80(B), is due on May 31, 1995.
- B. What to file** — All persons who receive copies of this survey must complete Part I of Form BE-80(A). All persons subject to the mandatory reporting requirement must also complete Part II of Form BE-80(A), and Parts I and II and the mandatory section(s) of the appropriate schedule(s) of Form BE-80(B). Persons who are exempt from the mandatory reporting requirement but who elect to report data voluntarily are asked to also complete Part II of Form BE-80(A), and Parts I and II and the voluntary section(s) of the appropriate schedule(s) of Form BE-80(B). Recipients of this form that are exempt from mandatory reporting and do not wish to report data voluntarily must complete Part I of Form BE-80(A) and the Exemption Claim. In order to facilitate survey processing, respondents should assemble together and file in a single packet Form BE-80(A) and all Forms BE-80(B) for their enterprise.
- C. Assistance** — For assistance or additional copies of the forms, telephone (202) 606-5588 between 8:00 a.m. and 4:00 p.m., eastern time.
- D. Number of copies** — A single original copy of the survey (including Form BE-80(A) and, as appropriate, one or more Forms BE-80(B)) must be filed with BEA. Please use the copy with the address label if such a labeled copy has been provided. Companies that elect to file separate reports for their separately organized financial services subsidiaries or parts must file a separate original copy of Form BE-80(B) for each separate subsidiary or part. In addition, each U.S. Reporter must retain a copy of each report to facilitate resolution of problems.
- E. Where to send the report** — Reports filed by mail through the U.S. Postal Service should be sent to U.S. Department of Commerce, Bureau of Economic Analysis BE-50(SSB), Washington, DC 20230. Reports filed by direct private delivery should be directed to U.S. Department of Commerce, Bureau of Economic Analysis BE-50 (SSB), Shipping and Receiving Section, Room M-100, 1441 L Street, NW, Washington, DC 20005.
- F. Estimates** — If actual figures are not available, estimates should be supplied and labeled as such. When data items cannot be fully subdivided as required, totals and an estimated breakdown of the totals should be supplied.

**PERSON TO CONSULT CONCERNING  
QUESTIONS ABOUT THIS FORM BE-80(A)  
REPORT — Enter name and telephone  
number.**

Name

**CERTIFICATION** — The undersigned official certifies that this report has been prepared in accordance with the applicable instructions, is complete, and is substantially accurate except that, in accordance with VII.F of the **Instructions**, estimates have been provided where data are not available from customary accounting records or precise data could not be obtained without undue burden.

Authorized official's signature

**TELEPHONE  
NUMBER**

Area code

Number

Extension

Print or type name and title

Date



## 2. Determination of reporting status

If transactions (either sales or purchases) with unaffiliated foreign persons in all types of financial services combined by all financial services providers within an enterprise are \$1 million or less during the fiscal year, the U.S. person **may** voluntarily report the estimated totals for each type of service, not distributed by individual foreign country, on line 20 of Schedule A and/or B of Form BE-80(B), as appropriate. (However, if information on the foreign countries involved in the transactions is readily available, the totals and a disaggregation by country may instead be reported in the mandatory section.) Because the \$1 million threshold applies separately to sales and purchases, this voluntary reporting option may apply only to sales, only to purchases, or to both sales and purchases.

Mark (X) one:

- 10001

**1** ☐ The consolidated U.S. enterprise (including the top parent and all of its subsidiaries and parts, whether reporting together or separately) is required to report data in the mandatory section of at least one Form BE-80(B).

**2** ☐ The consolidated U.S. enterprise (including the top parent and all of its financial subsidiaries and parts, whether reporting together or separately) is not required to report data in the mandatory sections of Form BE-80(B) but elects to report data voluntarily.

**3** ☐ The consolidated U.S. enterprise is not reporting data in either the mandatory or voluntary section of Form BE-80(B). — *Complete the Exemption Claim on page 3; SKIP item 3 of this Part.*

*Proceed to item 3 of this Part.*

## 3. Employer Identification Number (EIN) of the consolidated U.S. enterprise.

Primary EIN —

10002	1		—						
-------	---	--	---	--	--	--	--	--	--

Additional EIN (if available) —

10003	1		—						
-------	---	--	---	--	--	--	--	--	--

**Part II LIST OF ALL FINANCIAL SERVICES PROVIDERS REPORTING SEPARATELY**  
 Complete Part II only if you checked box 1 or 2 in Part I, item 2. List below the name(s) of the financial services providers within the consolidated U.S. enterprise that are reporting separately on Form BE-80(B). If you are filing only a single Form BE-80(B) covering all financial services providers of the consolidated U.S. enterprise combined, only one entry should appear below. Continue listing onto as many additional copied pages as necessary.

Complete Part II only if you checked box 1 or 2 in Part I, item 2. List below the name(s) of the financial services providers within the consolidated U.S. enterprise that are reporting separately on Form BE-80(B). If you are filing only a single Form BE-80(B) covering all financial services providers of the consolidated U.S. enterprise combined, only one entry should appear below. Continue listing onto as many additional copied pages as necessary.

BEA USE ONLY										Name(s) of U.S. Reporters filing separate Form(s) BE-80(B) —										
10004	1									4.										
10005	1									2.										
10006	1									3.										
10007	1									4.										
10008	1									5.										
10009	1									6.										
10010	1									7.										
10011	1									8.										
10012	1									9.										
10013	1									10.										

**Complete this Exemption Claim only if you marked (X) box 3 in Part I, item 2, of this form.**

Neither the **consolidated U.S. enterprise** nor any of its subsidiaries or parts is reporting any data on any Form BE-80(B) because the consolidated enterprise:

Mark (X) appropriate box.

- 10014
- |   |  |
|---|--|
| 1 | <input type="checkbox"/> Was not in existence at any time during the reporting period.   |
| 2 | <input type="checkbox"/> Had no subsidiaries or parts that were financial services providers.  |
| 3 | <input type="checkbox"/> Had no transactions, either sales or purchases, of the types of financial services covered, with unaffiliated foreign persons.  |
| 4 | <input type="checkbox"/> Had transactions, either sales or purchases, of the types covered, but is not subject to the mandatory reporting requirement, because neither its sales nor its purchases of financial services exceeded \$1 million ( <i>See I.A.1. of the <b>Instructions</b></i> — Exemption is based upon sales or purchases of financial services by <b>all</b> subsidiaries or parts of the consolidated U.S. enterprise that are financial services providers combined). The U.S. enterprise does not wish to report the data voluntarily. The total amount of the transactions with unaffiliated foreign persons by this consolidated U.S. enterprise, for all financial services combined, was approximately — |

Report in thousands of U.S. dollars	
Sales	Purchases
1	2
\$	\$

- ☐ **5** ☐ Other — *Specify* ☐

### NOTE

If you marked (X) a box in this Exemption Claim, your enterprise should not complete any Forms BE-80(B).



Date \_\_\_\_\_

report  
ons, is  
nce  
where  
precise

- ## Part II

Month		Day		Year	
1				9	4

20002	1		
-------	---	--	--

- 20003 ☐ 1 Yes
- ☐ 2 No

- |       |   |  |   |  |  |  |  |  |  |
|-------|---|--|---|--|--|--|--|--|--|
| 20004 | 1 |  | — |  |  |  |  |  |  |
|-------|---|--|---|--|--|--|--|--|--|

**BEA USE ONLY**




**SCHEDULE A — Receipts of Fees and Commissions From Unaffiliated Foreign Persons for Financial Services**

The mandatory section of Schedule A is **required** to be completed for each type of financial service listed below if total sales to unaffiliated foreign persons of all types of financial services combined by all subsidiaries and parts of the consolidated U.S. enterprise that are financial services providers or intermediaries exceed \$1,000,000. The voluntary section is **requested** to be completed if total sales to unaffiliated foreign persons of all types of financial services combined by all subsidiaries and parts of the consolidated U.S. enterprise that are financial services providers or intermediaries are \$1,000,000 or less.

Enter the number associated with the type of financial service, instead of the complete title of the service, in the column heading of Schedule A. *See V. of the **Instructions** for complete descriptions of the types of financial services covered.*

Enter the names of countries not on the preprinted list, as appropriate, in the left hand margin of Schedule A. Transactions with international organizations are considered to be with unaffiliated foreign persons; these may be shown opposite an abbreviated designation, "Int'l Org." *Use additional copied sheets to list additional countries, as necessary.*

Service number	Service
<b>1</b>	Brokerage, except foreign exchange brokerage services
<b>2</b>	Private placement services
<b>3</b>	Underwriting services
<b>4</b>	Financial management services
<b>5</b>	Credit-related services, except credit card services
<b>6</b>	Credit card services
<b>7</b>	Financial advisory and custody services
<b>8</b>	Securities lending services
<b>9</b>	Foreign exchange brokerage services
<b>10</b>	<p><b>Other financial services</b></p> <ul style="list-style-type: none"> <li>• If you use this service number — <i>Enter on the schedule the total amount of fees you received for all other financial services combined. See V. of the <b>Instructions</b> for examples of types of financial services to report under this service number.</i></li> <li>• If you reported data in the mandatory section of Schedule A under this service number — <i>Enter a brief description of the primary type(s) of service(s) sold.</i> </li> </ul>

**SCHEDULE A — Receipts of Fees and Commissions From Unaffiliated Foreign Persons for Financial Services**

RECEIPTS FROM		BEA USE ONLY		REPORT IN THOUSANDS OF U.S. DOLLARS						
				(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>MANDATORY</b> Complete if total receipts of fees and commissions by the consolidated U.S. enterprise exceed \$1,000,000. Also complete question 21, as appropriate.		A1000								
<b>1. All countries, total</b>		001								
<b>2. Belgium</b>		002	1	302	2	3	4	5	6	7
<b>3. Canada</b>		003	1	100	2	3	4	5	6	7
<b>4. France</b>		004	1	307	2	3	4	5	6	7
<b>5. Germany</b>		005	1	308	2	3	4	5	6	7
<b>6. Hong Kong</b>		006	1	611	2	3	4	5	6	7
<b>7. Italy</b>		007	1	314	2	3	4	5	6	7
<b>8. Japan</b>		008	1	614	2	3	4	5	6	7
<b>9. Netherlands</b>		009	1	319	2	3	4	5	6	7
<b>10. Singapore</b>		010	1	625	2	3	4	5	6	7
<b>11. United Kingdom</b>		011	1	327	2	3	4	5	6	7
Other — <b>Specify</b> (Use additional copied sheets as necessary.)			1		2	3	4	5	6	7
<b>12.</b>		012								
<b>13.</b>		013	1		2	3	4	5	6	7
<b>14.</b>		014	1		2	3	4	5	6	7
<b>15.</b>		015	1		2	3	4	5	6	7
<b>16.</b>		016	1		2	3	4	5	6	7
<b>17.</b>		017	1		2	3	4	5	6	7
<b>18.</b>		018	1		2	3	4	5	6	7
<b>19.</b>		019	1		2	3	4	5	6	7
<b>VOLUNTARY</b> Complete if total receipts of fees and commissions by the consolidated U.S. enterprise are \$1,000,000 or less.										
			1		2	3	4	5	6	7
<b>20. All countries, total</b>		020		709						
<b>MANDATORY</b>		<p>NOTE — If total receipts for all financial services combined exceed \$1 million — You must complete the <b>MANDATORY</b> section above, and line 20 must be left blank.</p>								
		<p>• If you are subject to the survey's mandatory reporting requirement and you entered data under service number 1 — <i>Complete item 21.</i></p> <p>• If you are subject to the survey's mandatory reporting requirement and you entered data under service number 10 — <i>Describe the primary type(s) of service(s) in the space provided on page 3 of this form.</i></p>								
<b>21.</b> If you reported data in the mandatory section of Schedule A under service number 1, brokerage, except foreign exchange brokerage services — <i>Indicate the approximate amount of the total for all countries combined that was for transactions in each of the following groups of financial products. (These estimates may be based upon the judgment of knowledgeable persons, without conducting a detailed records search.)</i>										
<b>a.</b> Long-term securities (stocks and bonds, including collateralized mortgage obligations, with no original maturity or with original maturity of more than 1 year)		021	Report in thousands of U.S. dollars (1)							
<b>b.</b> Long-term and short-term derivative products (i.e., options, futures, swaps, forwards, and warrants)		022	1							
<b>c.</b> Other (such as commercial paper and bankers acceptances)		023	1							




**SCHEDULE B — Payments of Fees and Commissions to Unaffiliated Foreign Persons for Financial Services**

The mandatory section of Schedule B is **required** to be completed for each type of financial service listed below if total purchases from unaffiliated foreign persons of all types of financial services combined by all subsidiaries and parts of the consolidated U.S. enterprise that are financial services providers or intermediaries exceed \$1,000,000. The voluntary section is **requested** to be completed if total purchases from unaffiliated foreign persons of all types of financial services combined by all subsidiaries and parts of the consolidated U.S. enterprise that are financial services providers or intermediaries are \$1,000,000 or less.

Enter the number associated with the type of financial service, instead of the complete title of the service, in the column heading of Schedule B. See V. of the **Instructions** for complete descriptions of the types of financial services covered.

Enter the names of countries not on the preprinted list, as appropriate, in the left hand margin of Schedule B. Transactions with international organizations are considered to be with unaffiliated foreign persons; these may be shown opposite an abbreviated designation, "Int'l Org." Use additional copied sheets to list additional countries, as necessary.

Service number	Service
<b>1</b>	Brokerage, except foreign exchange brokerage services
<b>2</b>	Private placement services
<b>3</b>	Underwriting services
<b>4</b>	Financial management services
<b>5</b>	Credit-related services, except credit card services
<b>6</b>	Credit card services
<b>7</b>	Financial advisory and custody services
<b>8</b>	Securities lending services
<b>9</b>	Foreign exchange brokerage services
<b>10</b>	<p><b>Other financial services</b></p> <ul style="list-style-type: none"> <li>• If you use this service number — Enter on the schedule the total amount of fees you paid for all other financial services combined. See V. of the <b>Instructions</b> for examples of types of financial services to report under this service number.</li> <li>• If you reported data in the mandatory section of Schedule B under this service number — Enter a brief description of the primary type(s) of service(s) purchased. </li> </ul>

**SCHEDULE B — Payments of Fees and Commissions to Unaffiliated Foreign  
Persons for Financial Services**

REPORT IN THOUSANDS OF U.S. DOLLARS

PAYMENTS TO	BEA USE ONLY		(3)	(4)	(5)	(6)	(7)
	(1)	(2)					
<b>MANDATORY</b> <i>Complete if total payments of fees and commissions by the consolidated U.S. enterprise exceed \$1,000,000. Also complete question 21, as appropriate.</i>	1	2	3	4	5	6	7
<b>1. All countries, total</b> 001							
<b>2. Belgium</b> 002	1	2	3	4	5	6	7
<b>3. Canada</b> 003	1	2	3	4	5	6	7
<b>4. France</b> 004	1	2	3	4	5	6	7
<b>5. Germany</b> 005	1	2	3	4	5	6	7
<b>6. Hong Kong</b> 006	1	2	3	4	5	6	7
<b>7. Italy</b> 007	1	2	3	4	5	6	7
<b>8. Japan</b> 008	1	2	3	4	5	6	7
<b>9. Netherlands</b> 009	1	2	3	4	5	6	7
<b>10. Singapore</b> 010	1	2	3	4	5	6	7
<b>11. United Kingdom</b> 011	1	2	3	4	5	6	7
Other — <b>Specify</b> (Use additional copied sheets as necessary.)	1	2	3	4	5	6	7
<b>12.</b> 012							
<b>13.</b> 013	1	2	3	4	5	6	7
<b>14.</b> 014	1	2	3	4	5	6	7
<b>15.</b> 015	1	2	3	4	5	6	7
<b>16.</b> 016	1	2	3	4	5	6	7
<b>17.</b> 017	1	2	3	4	5	6	7
<b>18.</b> 018	1	2	3	4	5	6	7
<b>19.</b> 019	1	2	3	4	5	6	7
<b>VOLUNTARY</b> <i>Complete if total payments of fees and commissions by the consolidated U.S. enterprise are \$1,000,000 or less.</i>							
<b>20. All countries, total</b> 020							

**NOTE** — If total payments for all financial services combined exceed \$1 million — You must complete the **MANDATORY** section above, and line 20 must be left blank.

**MANDATORY**

- If you are subject to the survey's mandatory reporting requirement and you entered data under service number 1 — *Complete item 21.*
- If you are subject to the survey's mandatory reporting requirement and you entered data under service number 10 — *Describe the primary type(s) of service(s) in the space provided on page 5 of this form.*

**21.** If you reported data in the mandatory section of Schedule B under service number 1, brokerage, except foreign exchange brokerage services — *Indicate the approximate amount of the total for all countries combined that was for transactions in each of the following groups of financial products. (These estimates may be based upon the judgment of knowledgeable persons, without conducting a detailed records search.)*

**a.** Long-term securities (stocks and bonds, including collateralized mortgage obligations, with no original maturity or with original maturity of more than 1 year)

021

**b.** Long-term and short-term derivative products (i.e., options, futures, swaps, forwards, and warrants)

022

**c.** Other (such as commercial paper and bankers acceptances)

023

*Report in  
thousands of  
U.S. dollars  
(1)*

1

1

1



U.S. DEPARTMENT OF COMMERCE  
BUREAU OF ECONOMIC ANALYSIS

**BENCHMARK SURVEY OF FINANCIAL SERVICES TRANSACTIONS  
BETWEEN U.S. FINANCIAL SERVICES PROVIDERS AND UNAFFILIATED  
FOREIGN PERSONS**

**Introduction**

The Benchmark Survey of Financial Services Transactions Between U.S. Financial Services Providers and Unaffiliated Foreign Persons--1994 is being conducted by the U.S. Department of Commerce to obtain data on the amount and types of international financial services in which U.S. financial services providers are engaged. This is the first comprehensive survey of these services conducted by the U.S. Government.

The data from the survey are needed to measure the amount of U.S. trade in financial services, to analyze the effects of such trade on the U.S. economy, to formulate U.S. trade policy, and to support trade negotiations on financial services. They will be included in the U.S. balance of payments and national income and product accounts, and will provide benchmarks for deriving current universe estimates of financial services transactions in future years.

The survey is conducted under authority of the Omnibus Trade and Competitiveness Act of 1988 (15 U.S.C. 4908(b)) and the International Investment and Trade in Services Survey Act (22 U.S.C. 3101-3108). Reporting is mandatory under Section 5 of the latter Act. By law, the information reported may be used only for analytical and statistical purposes and will be held confidential.

A firm that is a financial services provider, or that had subsidiaries or parts that are financial services providers, may be required to report data on financial services transactions it engaged in directly with unaffiliated foreign persons. Reporting is mandatory if total sales or purchases of covered services exceeded \$1 million during the firm's 1994 fiscal year. See the **Instructions** for additional clarification.

In addition to the mandatory part, the survey contains a voluntary part. If you determine that you have transactions reportable in the voluntary part of the survey, I urge you to report them. For some financial services, small transactions by many transactors are an important part of the total.

Some data requested in the survey may not be maintained in your customary accounting records. In accordance with the **Instructions**, estimates may be provided where precise data cannot be obtained.

If a person receiving the report forms and instructions is not required to report, Form BE-80(A) must nevertheless be completed and returned to the Bureau of Economic Analysis to claim exemption.

Your cooperation is greatly appreciated.

Sincerely,



CAROL S. CARSON  
Director  
Bureau of Economic Analysis

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## INSTRUCTIONS

**Purpose** — Reports on this form are required in order to obtain reliable and up-to-date information on financial services transactions between U.S. financial services providers and unaffiliated foreign persons. The information is needed to support trade negotiations and monitor trade agreements, formulate U.S. international economic policy, and analyze the impact of that policy and the policies of foreign countries on international trade in financial services. The data will also be used in compiling the U.S. balance of payments accounts and national income and product accounts.

**Authority** — The filing of reports for this survey is authorized by Section 5 of the International Investment and Trade in Services Survey Act (P.L. 94-472, 90 Stat. 2059, 22 U.S.C. 3101-3108, as amended), and by Section 5408 of the Omnibus Trade and Competitiveness Act of 1988 (P.L. 100-418, 15 U.S.C. 4908(b)). Regulations for the survey may be found in 15 CFR Part 801. The survey has been approved by the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. 3501, et seq.).

**Penalties** — Whoever fails to report may be subject to a civil penalty of not less than \$2,500, and not more than \$25,000, and to injunctive relief commanding such person to comply, or both. Whoever willfully fails to report shall be fined not more than \$10,000 and, if an individual, may be imprisoned for not more than one year, or both. Any officer, director, employee, or agent of any corporation who knowingly participates in such violations, upon conviction, may be punished by a like fine, imprisonment, or both. (See Section 6, 22 U.S.C. 3105.)

**Confidentiality** — The International Investment and Trade in Services Survey Act provides that your report to this Bureau is CONFIDENTIAL. It may be used only for analytical or statistical purposes, and CANNOT be used for purposes of taxation, investigation, or regulation. That act also provides that copies retained in your files are immune from legal process.

### I. WHO MUST REPORT AND GENERAL COVERAGE

#### A. Who must report

##### 1. Mandatory and voluntary reporting

- a. Mandatory reporting** — A BE-80 report is required from each U.S. person who (i) is a financial services provider or intermediary (See I.B.2. of these **Instructions**), or whose consolidated U.S. enterprise includes a separately organized subsidiary or part that is a financial services provider or intermediary, and (ii) had transactions (either sales or purchases) directly with unaffiliated foreign persons in all financial services combined (See V. of these **Instructions**) in excess of \$1,000,000 during its fiscal year 1994. The \$1,000,000 threshold should be applied to financial services transactions with unaffiliated foreign persons by all parts of the consolidated U.S. enterprise combined that are financial services providers or intermediaries, regardless of whether the subsidiaries or parts of the organization file separate Forms BE-80(B). Because the \$1,000,000 threshold applies separately to sales and purchases, this mandatory reporting requirement may apply only to sales, only to purchases, or to both sales and purchases.

The determination of whether a U.S. financial services provider or intermediary is subject to this mandatory reporting requirement may be judgmental, that is, based on the judgment of knowledgeable persons in a company who can identify reportable transactions on a recall basis, with a reasonable degree of certainty, without conducting a detailed manual records search.

Reporters who must file pursuant to this mandatory reporting requirement must complete Parts I and II of Form BE-80(A), and Parts I and II and the mandatory parts of the applicable schedule(s) of Form BE-80(B). The total amounts of transactions applicable to a particular schedule are to be entered in the appropriate column(s) on line 1 of the schedule. In addition, these amounts must be distributed below line 1 to the foreign country(ies) involved in the transaction(s).

- b. Voluntary reporting** — If, during fiscal year 1994, covered sales or purchases (see V. of these **Instructions**) by a firm that is a financial services provider or intermediary, or by a firm's subsidiaries or parts combined that are financial services providers or intermediaries, are \$1,000,000 or less, the U.S. person is requested to provide an estimate of the total for each type of service. Provision of this information is voluntary. The estimates may be judgmental, that is, based on recall, without conducting a detailed manual records search. Because the \$1,000,000 threshold applies separately to sales and purchases, this voluntary reporting option may apply only to sales, only to purchases, or to both sales and purchases.

Reporters who elect to file pursuant to the voluntary reporting option should complete Parts I and II of Form BE-80(A), and Parts I and II and the voluntary parts of the applicable schedule(s) of Form BE-80(B). The total amounts of transactions applicable to a particular schedule are to be entered in the appropriate column(s) on line 20 of the schedule. Disaggregation by country is not required if transactions with unaffiliated foreign persons in all types of financial services combined total \$1,000,000 or less. However, if information on the foreign countries involved in the transactions is readily available, the totals and a disaggregation by country may instead be reported in the mandatory section.

- 2. Consolidation** — A consolidated U.S. enterprise has the option of filing a single, original copy of Form BE-80(B) covering combined (total) financial services transactions (purchases and sales) of all its subsidiaries and parts that are financial services providers or intermediaries, or of filing separate reports for its separately organized financial services subsidiaries and parts. In either case, Form BE-80(A) must also be completed for the consolidated U.S. enterprise.

The \$1,000,000 exemption level for mandatory reporting is based upon total financial services purchased from, or sold to, unaffiliated foreign persons by all parts of the consolidated U.S. enterprise that are financial services providers or intermediaries combined, regardless of the number of subsidiaries or parts of the enterprise filing separate Forms BE-80(B).

#### B. General Coverage

##### 1. The BE-80 measure of sales (receipts) or purchases (payments)

For most types of financial services covered by this survey, sales and purchases are the measures used to determine whether the threshold for mandatory reporting of the service is exceeded. However, for some services, an item other than sales or purchases may be appropriate. For example, payments of underwriting fees (reportable on Schedule B) must be calculated by an issuer of securities by first estimating gross proceeds to the foreign lead underwriter from the sale to the public of the securities (based upon the number of units of securities sold times the per unit public offer price), and then subtracting the net proceeds received by the issuer from the foreign lead underwriter. The resulting difference is the amount that the issuer should report on Schedule B.

## I. WHO MUST REPORT AND GENERAL COVERAGE — Continued

### B. General Coverage — Continued

#### 1. The BE-80 measure of sales (receipts) or purchases (payments) — Continued

A transaction should be reported in the period when it occurs or is charged (that is, in the period when the provider of the service recognizes or performs the service), whether expensed by the purchaser of the service in that accounting period, amortized over several accounting periods, or included in expenses in a subsequent accounting period. For example, payments of credit-related fees (and payments of securities brokerage commissions) should be reported in the period when credit-related (securities brokerage) services are charged, whether or not the charge for the service is included in the purchaser's expenses for that particular accounting period. See V. of these

**Instructions** for an explanation of what measures should be applied in determining whether you are subject to the BE-80 survey's mandatory reporting requirements for a given type of service.

#### 2. BE-80 definition of financial services provider

The definition of financial services providers used for this survey is analogous in coverage to the finance and insurance part of Division H of the 1987 Standard Industrial Classification Manual (SIC major groups 60 through 64, and major group 67). More specifically, companies and/or subsidiaries and other separable parts of companies in the following industries are defined as financial services providers: Depository institutions (including commercial banks and thrifts); nondepository credit institutions; security and commodity futures brokers, dealers, exchanges, traders, underwriters, and services providers (including investment bankers and providers of securities custody services); credit card companies; insurance carriers, agents, brokers and services providers; investment advisors and managers; mutual funds; pension funds; trusts; holding companies; investors; oil royalty traders; etc.

Holding companies that own only **nonfinancial** subsidiaries may elect to omit reporting their **purchases** of financial services from unaffiliated foreign persons on Form BE-80 if they instead report these purchases on Form BE-22, Annual Survey of Selected Services Transactions With Unaffiliated Foreign Persons. Alternatively, these holding companies may elect to report both purchases **and** sales of financial services on Form BE-80; in this case, they should **not** report their purchases of financial services from unaffiliated foreign persons on Form BE-22. In either case, **sales** of financial services to unaffiliated foreign persons must be reported on Form BE-80 if they exceed \$1 million.

#### 3. Clarification of general coverage, including special situations

- a. Purchases or sales are to be reported in the period when they occur or are charged. As discussed in I.B.1., this may not be the period in which the transaction is included in the purchaser's income or expense. For example, payments of fees for credit-related services should be reported when the services are rendered, not over the potentially longer period during which the payments may be amortized by the borrower.
- b. Covered transactions are includable regardless of whether the service was performed in the United States or abroad.
- c. When a sale or purchase consists of services that are commingled or bundled (i.e., the different types of services are not separately billed), you should

unbundle the transaction whenever possible. When the transaction cannot be unbundled, it should be classified based upon whichever service accounts for the largest share of its value. Note, however, if the services are billed together because they are integral parts of the same transaction (for example, if the fee for financial management services includes payment for custody and other services that are regarded as integral parts of financial management services), then do not unbundle the transaction.

- d. Only financial services purchased or sold by U.S. financial services providers or intermediaries directly from unaffiliated foreign persons are covered by this survey. Transactions in **nonfinancial** services with foreign persons, transactions by **nonfinancial** subsidiaries or other nonfinancial parts of companies, and transactions with affiliated foreign persons are covered by other BEA surveys. See IV. of these **Instructions**.

- e. As discussed in I.B.2., a holding company that owns **only** manufacturing or other **nonfinancial** subsidiaries may elect to report its **purchases** of financial services from unaffiliated foreign persons either on Form BE-22, Annual Survey of Selected Services Transactions With Unaffiliated Foreign Persons, or on this survey. However, in either case, these holding companies must report their **sales** of financial services to unaffiliated foreign persons on this survey if such sales exceed \$1 million.

## II. DEFINITIONS

- A. **Services** mean economic activities whose outputs are other than tangible goods. This term includes, but is not limited to, banking, other financial services, insurance, transportation, communications and data processing, retail and wholesale trade, advertising, accounting, construction, design, engineering, management consulting, real estate, professional services, entertainment, education, and health care.
- B. **Financial** services include trading, issuing, dealing, underwriting, lending, custody, etc. of financial instruments; financial advisory or management services; credit card services; credit-related services (including establishing, maintaining, or arranging credits, letters of credit, lines of credit, mortgages, etc.); financial rating services; electronic funds transfer services; insurance services; etc. These services typically are performed by firms classified in the finance and insurance part of Division H of the 1987 Standard Industrial Classification Manual (see I.B.2.). Some types of financial services are not covered on this survey. See V. of the **Instructions** for a list of financial services that are covered, and see VI. of the **Instructions** for a list of financial services that are not covered on this survey.
- C. **U.S. Reporter** means a U.S. person filing a report in this survey. On Form BE-80(A), the U.S. Reporter is the consolidated U.S. enterprise; on Form BE-80(B), the U.S. Reporter may be either the consolidated U.S. enterprise or a financial services subsidiary or part of a consolidated U.S. enterprise reporting separately.
- D. **Consolidated U.S. enterprise** means (i) a U.S. financial services provider, (ii) any U.S. corporation, proceeding up the financial services provider's ownership chain, that owns more than 50 percent of the voting securities of the corporation below it, and (iii) any U.S. corporation, proceeding down the ownership chain(s) of each of these corporations, whose voting securities are more than 50-percent-owned by the U.S. corporation above it.
- E. **United States**, when used in a geographic sense, means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and all territories and possessions of the United States.



- F. Foreign**, when used in a geographic sense, means that which is situated outside the United States or which belongs to or is characteristic of a country other than the United States.
- G. Person** means any individual, branch, partnership, associated group, association, estate, trust, corporation, or other organization (whether or not organized under the laws of any State), and any government (including a foreign government, the United States Government, a State or local government, and any agency, corporation, financial institution, or other entity or instrumentality thereof, including a government sponsored agency).

1. **United States person** means any person resident in the United States or subject to the jurisdiction of the United States.
2. **Foreign person** means any person resident outside the United States or subject to the jurisdiction of a country other than the United States.

**H. Unaffiliated foreign person** means, with respect to a given U.S. person, any foreign person that is not an affiliated foreign person as defined in paragraph I. below.

**I. Affiliated foreign person** means, with respect to a given U.S. person, (i) a foreign affiliate of which the U.S. person is a U.S. parent, or (ii) the foreign parent or other member of the affiliated foreign group of which the U.S. person is a U.S. affiliate.

**J. Affiliate** means a business enterprise located in one country that is directly or indirectly owned or controlled by a person of another country to the extent of 10 per centum or more of its voting stock for an incorporated business or an equivalent interest for an unincorporated business, including a branch.

1. **Foreign affiliate** means an affiliate located outside the United States in which a U.S. person has direct investment.
2. **U.S. affiliate** means an affiliate located in the United States in which a foreign person has direct investment.

**K. Business enterprise** means any organization, association, branch, or venture which exists for profitmaking purposes or to otherwise secure economic advantage, and any ownership of any real estate. (A business enterprise is a "person" within the definition in paragraph G. above.)

**L. Direct investment** means the ownership or control, directly or indirectly, by one person of 10 per centum or more of the voting stock of an incorporated business enterprise or an equivalent interest in an unincorporated business enterprise.

**M. Parent** means a person of one country who, directly or indirectly, owns or controls 10 per centum or more of the voting securities of an incorporated business enterprise, or an equivalent ownership interest in an unincorporated business enterprise, which is located outside that country.

1. **U.S. parent** means the U.S. person that has direct investment in a foreign business enterprise, including a branch.
2. **Foreign parent** means the first person outside the United States that has direct investment in a U.S. business enterprise, including a branch.

**N. Affiliated foreign group** means (i) the foreign parent, (ii) any foreign person, proceeding up the foreign parent's ownership chain, that owns more than 50 per centum of the person below it up to and including that person which is not owned more than 50 per centum by another foreign person, and (iii) any foreign person, proceeding down the

ownership chain(s) of each of these members, which is owned more than 50 per centum by the person above it.

**O. Fiscal year** is the U.S. Reporter's financial reporting year that has an ending date in a given calendar year. For example, fiscal year 19X1 is the U.S. Reporter's financial reporting year that has an ending date in calendar year 19X1. For a person that does not have a financial reporting year, or does not have a financial reporting year ending in a given calendar year, its fiscal year is deemed to be the same as the calendar year.

**P. Country** means, for purposes of this survey, the country of location of the foreign person with whom a transaction has occurred.

### III. GENERAL INSTRUCTIONS

#### A. How to differentiate between U.S. and foreign persons

In II.G.2. of these **Instructions**, a "foreign person" is defined as any person resident outside the United States or subject to the jurisdiction of a country other than the United States. Under this definition, persons who reside or expect to reside for 1 year or more in a foreign country are considered to be foreign persons. International organizations are considered to be foreign persons whether they are based in the United States (such as the International Bank for Reconstruction and Development, Inter-American Development Bank, United Nations, World Health Organization, and the Organization of American States) or abroad.

If you are uncertain whether a financial services transaction is with an unaffiliated foreign person, the following procedure should be followed. First, identify the country a transaction is with using billing or mailing address information. The assumption is that a transaction should be shown against a given foreign country (or with an international organization) if the billing or mailing address is of that foreign country (or of an international organization). If the billing or mailing address is in the United States, the transaction ordinarily would be assumed to be a transaction with a U.S. person and, therefore, not reportable on this survey.

Although billing or mailing addresses may provide a satisfactory basis for differentiating between U.S. and foreign persons in most cases, in some cases they may not, such as where foreign customers have provided billing addresses of U.S. agents or other locations of convenience in the United States, or U.S. customers have provided foreign billing addresses. Thus, for transactions of significant size (i.e., those that will affect the overall level of transactions reported in this survey for a given type of service), a second step may be necessary. For each type of service, you must determine whether or not you need to take the following additional step in order to assure accuracy of data reported in this survey.

The second step is to examine other available information on the residency of your largest customers and contractors. For example, to review the residency of your customers, you might refer to IRS Form W-8, Certificate of Foreign Status (filed by foreign persons), IRS Form W-9, Request for Taxpayer Identification Number and Certification (filed by U.S. persons), and/or any other available information on the residency of persons with whom you have sold or purchased financial services.

For some types of services, such as underwriting services, it may be necessary to rely on additional information to correctly determine the residency of your customers in order to assure accuracy; for other types of services, it will probably be sufficient to use billing address information alone.



### III. GENERAL INSTRUCTIONS — Continued

#### B. Who must report a transaction when an intermediary is involved

Financial services transactions between a U.S. person and a foreign person are frequently arranged by, billed through, or otherwise facilitated by, a financial services provider or intermediary. The intermediary may be U.S. or foreign, and may be affiliated or unaffiliated with the U.S., or the foreign, person. The U.S. financial services provider or intermediary who **directly** deals with an unaffiliated foreign person, not the U.S. customer of the intermediary, is responsible for reporting the transaction on this survey.

#### C. Distinguishing transactions with affiliated foreign persons from transactions with unaffiliated foreign persons

For purposes of reporting in this survey, it is necessary to distinguish between transactions between affiliated U.S. and foreign persons, and transactions between unaffiliated U.S. and foreign persons. Only transactions with unaffiliated foreign persons are to be reported in this survey; services transactions with affiliated foreign persons are reportable in other BEA surveys (*see IV. of these Instructions*). An unaffiliated foreign person is a foreign person that is neither the foreign affiliate nor the foreign parent (or other member of the affiliated foreign group) of the consolidated U.S. enterprise filing Form BE-80(A) of this survey. (*See II.I., J., M. and N. in the Instructions.*)

Transactions with unaffiliated foreign persons by or through a foreign activity of a U.S. person that is not a foreign affiliate of the U.S. person are deemed to be direct transactions of the U.S. person, and any financial services sold to, or purchased from, unaffiliated foreign persons through such an activity are reportable in this survey.

If a U.S. person's foreign activity or operation is incorporated abroad, it is a foreign affiliate.

If a U.S. person's foreign activity or operation is NOT incorporated abroad, its status is based on the weight of the evidence when the factors listed below are considered.

An unincorporated foreign activity or operation generally **WOULD NOT** be considered a foreign affiliate if it: (i) conducts business abroad only for the U.S. person's account and not for its own account; (ii) has no separate financial statements (including an income statement and balance sheet); (iii) receives funds to cover its expenses only from the U.S. person; (iv) pays no foreign income taxes; and (v) has limited physical assets, or employees, permanently located abroad.

Criteria for determining which U.S. activities do or do not constitute a U.S. affiliate of a foreign person are parallel to those listed above.

### IV. RELATED FORMS

Persons receiving this form should be aware of other forms on services that are required to be filed on a mandatory basis with BEA (*see 15 CFR, Part 801, Section 9(b).*).

BEA conducts surveys of other types of services transactions with unaffiliated foreign persons (such as Form BE-48, Annual Survey of Reinsurance and Other Insurance Transactions by U.S. Insurance Companies With Foreign Persons; Form BE-93, Annual Survey of Royalties, License Fees, and Other Receipts and Payments for Intangible Rights Between U.S. and Unaffiliated Foreign Persons; and Form BE-22, Annual Survey of Selected Services Transactions With Unaffiliated Foreign Persons). All inquiries about these surveys should be directed to BEA's International Investment Division (IID) at (202) 606-5588. In addition, BEA collects information on services transactions with affiliated foreign persons in its direct investment surveys. Inquiries concerning BEA's survey of services transactions between U.S. parent companies and their

foreign affiliates (Form BE-577) should be directed to IID at (202) 606-5599, and inquiries concerning services transactions between U.S. affiliates and their foreign parent companies (Forms BE-605 and BE-605 Bank) should be directed to IID at (202) 606-5577.

Under the Treasury International Capital reporting system, the Department of the Treasury conducts mandatory surveys on the international financial position of the United States and on movements of portfolio investment capital between the United States and foreign countries that may give rise to financial services transactions. Inquiries about these surveys should be directed to the Federal Reserve Bank of New York (as contractor for the Treasury Department) at (212) 720-8243.

### V. SERVICES COVERED

Receipts (**Schedule A of Form BE-80(B)**) and payments (**Schedule B**) of fees and commissions for the following types of financial services are covered by this survey:

**A. Brokerage, except foreign exchange brokerage services (service number 1)** — Schedule A covers your receipts of commissions directly from unaffiliated foreign customers for executing orders to purchase or sell securities, options, futures, and other financial instruments, except foreign currency. It excludes income, such as option premiums, where you were a dealer or other principal who was at risk of incurring a loss on the financial instrument rather than acting solely as a broker. Schedule B covers your payments of commissions directly to unaffiliated foreign brokers for executing your, or your customers', orders.

Brokerage fees arising from foreign currency exchange transactions should not be reported here, but should instead be reported under service number 9, foreign exchange brokerage services. Origination fees in connection with derivative financial instruments that trade over the counter ordinarily should not be reported here. These should be reported here **only** if they are separately identified in transaction documentation issued by the dealer in the instruments to its customers, and are considered to be commissions rather than undifferentiated components of overall trading or marketmaking gains. Brokerage commissions for arranging joint ventures are covered under service number 10, "other" financial services. Fees for commodity or merchandise brokerage services (as opposed to fees for purchasing or selling commodity futures) are not covered because they are not considered to be financial services.

**B. Private placement services (service number 2)** — Covers fees you received from an unaffiliated foreign issuer of securities for privately placing its securities, or fees that you paid to an unaffiliated foreign person who privately placed your securities, including fees on dealer-placed commercial paper. Do not report earnings from buying and selling (i.e., trading) commercial paper or other securities for your own account, because they are not considered to be financial services.

**C. Underwriting services (service number 3)** — Covers earnings from buying and reselling an entire or substantial portion of newly issued securities. If you purchased securities from an unaffiliated foreign person (issuer or lead underwriter) and resold them to others at a lower price, report your loss as negative receipts on Schedule A. (This is the only financial service category where negative amounts may be reported.)

Where you are lead underwriter, report receipts of underwriting fees and payments of selling concessions and other expenses separately. Underwriting fees, before deduction of selling concessions paid to other members of the syndicate, should be reported on Schedule A according to the country of the person (issuer) from whom you purchased the securities. Selling concessions and reimbursements for expenses paid by you to unaffiliated foreign members of the syndicate should be reported on Schedule B based upon the country(ies) of the foreign syndicate members receiving the selling concessions and reimbursements.



Where you are a syndicate member other than the lead underwriter, report on Schedule A selling concessions received by you based upon the country of the lead underwriter.

Where you are the issuer of securities, payments of underwriting fees reported on Schedule B should be calculated as follows: First, calculate gross proceeds to the underwriter from the sale to the public of your securities. This estimate should equal the number of units of securities sold to the foreign lead underwriter times the per unit public offer price. (If the public offer price is not available from your internal accounting records, consult the prospectus or other public offer document.) Second, from this amount, subtract the net proceeds you received when you sold your securities to the foreign lead underwriter. The resulting difference is the amount to report on Schedule B as payments of underwriting fees, classified according to the country of the foreign lead underwriter.

Fees or commissions received by, or paid to, intermediaries that arrange the sale of securities (including mutual fund shares) they do not themselves own should be reported as brokerage services (under service number 1) rather than as underwriting services.

**D. Financial management services (service number 4) —**

Covers services in which the provider of the service has the authority to direct the use or investment of funds or other assets. Report fee income from (to) unaffiliated foreign persons for managing or administering financial portfolios, such as cash, securities, futures, and other financial instruments or assets, if you (they) have this authority. (If a U.S. or foreign person has input into the decision-making process but does not have this authority, report the fees under service number 7, financial advisory and custody services.) Report these fees whether or not the assets are in the custody of the manager or in the custody of another U.S. or foreign person whom the manager directs. Include fees from actively managed accounts (where research and market timing skills are also provided) and fees from passively managed, or indexed, accounts, such as where the portfolio is composed of certain securities so that its performance will track that of an index.

U.S. persons (including trustees and fiduciaries with management authority) should report their fees from managing **foreign** commodity pools, mutual funds, hedge funds, trusts (including trusts containing mortgages), etc. (which are considered foreign persons) on Schedule A. Fees from managing U.S. mutual funds, hedge funds, trusts (including trusts containing mortgages), etc. (which are considered U.S. persons) should not be reported **unless** the management fee is charged directly to a foreign investor, owner, beneficiary, maker, etc., of the U.S. mutual fund, hedge fund, or trust rather than charged to the U.S. mutual fund, etc. itself.

U.S.-based custodians and subcustodians who manage the custody or safekeeping of securities directly on behalf of unaffiliated foreign persons (including unaffiliated foreign-based custodians or subcustodians) should report their receipts from, and U.S.-based private label custodians should report their payments to, unaffiliated foreign persons (including foreign custodians and subcustodians) under service number 7, financial advisory and custody services.

Foreign participation in U.S. futures markets frequently occurs indirectly, by foreign persons investing directly in a foreign commodity pool that, in turn, invests directly in the U.S. futures market. Foreign commodity pools may be organized by U.S. commodity pool operators (CPO's), such as U.S. brokerage institutions. U.S. CPO's must report on Schedule A their fees from managing foreign commodity pools, including additional management fees received based upon positive returns. However, exclude gains and losses to principal amounts you have invested in the pool; in this case, your earnings are considered to be capital

gains, which are not covered on Schedules A and B. (Similar guidelines pertain to the earnings of U.S. persons who manage foreign hedge funds; i.e., report management fees including additional fees based on positive returns, but do not report gains or losses to principal amounts invested in the funds.)

Do not report receipts (payments) of your foreign affiliates from (to) foreign persons. For example, where your foreign affiliate manages foreign assets, the management fee paid by foreign clients to your foreign affiliate should not be reported on this form, because the fee was not received by the U.S. Reporter from an unaffiliated foreign person. (See *II. and III. of the Instructions* for a discussion of foreign activities of a U.S. person that constitute a foreign affiliate.) Similarly, fees paid by you to, or received by you from, a U.S. affiliate of a foreign person should not be reported.

Do not report funding for foreign sales promotion and representative offices in this survey. Such funding should be reported instead on Form BE-22, Annual Survey of Selected Services Transactions With Unaffiliated Foreign Persons.

**E. Credit-related services, except credit card services (service number 5) —**

Includes fees received from or paid to unaffiliated foreign persons for credit-related or lending-related services, such as fees for renegotiating debt terms and fees for establishing/originating, maintaining, or arranging standby letters of credit, commercial and similar letters of credit, letters of indemnity, lines of credit, participations in acceptances, mortgages, credit facilities, etc. Include fees for factoring services, issuing financial guarantees and loan commitments (to make or purchase loans), arranging or entering into financial lease contracts, etc. Include both fees paid directly and fees that are withheld or deducted from the proceeds. Include fees for credit-related services received by, or paid to, note issuance facilities (NIF's), but do not report underwriting fees on notes issued by NIF's; these should instead be reported under service number 3, underwriting services. Also, do not report interest received or paid, including discounts and premiums on notes purchased or sold.

If you are a member of a loan syndicate, or of loan participations other than syndicates, report fees received and paid for organizing and managing the operation. Do not report the sale of assets (i.e., of parts or shares in the syndicated loan), because these are not financial services. Where you have collected a fee from an unaffiliated foreign person on a loan syndication and passed through a portion of the fee to foreign syndicate members, report the total fee you received on Schedule A and report the portion of the fee you passed through on Schedule B. Borrowers under loan syndicates or loan participations other than syndicates should report payments of fees according to the country of the lead manager of the syndicate.

Report payments of credit-related fees in the accounting period in which the fee is assessed by the provider of credit-related services, whether included in expenses for that particular accounting period or amortized over several accounting periods.

If compensating balances are reflected in the cost of credit-related services, the amount that should be reported is the (net) amount received or paid for credit-related services after credit for the value of the compensating balances. That is, the value of the compensating balance to the bank, in the form of foregone interest expense, should not be reported, but, if the bank returns some portion of its savings to its customers in the form of a credit against other financial services provided, the amount to report for the other financial services provided should be the reduced charge after consideration of this credit.



## V. SERVICES COVERED — Continued

**F. Credit card services (service number 6)** — All cross-border receipts and payments for credit card services should be reported, whether explicit or in the form of a discount from face or par value.

U.S. credit card companies (such as Visa and MasterCard) must report specified transactions in which they themselves engage with unaffiliated foreign persons, as well as specified transactions of their independent issuers or acquirers with foreign persons. Thus, in order to avoid duplication, their independent credit card issuers and acquirers are exempt from reporting data on these credit card services.

The major types of credit card services sold to or purchased from unaffiliated foreign persons by U.S. credit card companies are listed below. Total receipts and payments must be separately reported. Total receipts (or total payments) of credit card services are the sum of receipts (or payments) from all of these credit card services combined.

- Transaction and service fees received from or paid to foreign acquirers and issuers
- Interchange received from foreign acquirers or paid to foreign issuers
- Discount (including interchange and overhead assessments, reimbursements for telecommunication services, etc.) received from or paid to foreign acquirers and issuers
- Payments to foreign issuers, acquirers, or merchants under guarantees to protect them from losses from a default in the processing network
- Fees you received from foreign issuers for credit authorization services
- Fees you received from foreign issuers for listing lost or stolen credit card numbers in warning bulletins or on electronic files
- Resignation assessments or membership fees received from foreign issuers and acquirers
- Multi-currency conversion fees received from foreign issuers or paid to foreign acquirers, processing centers, or issuers

Do **not** report receipts or payments for credit card enhancements, such as travel insurance, extended warranties, and discounts on tour packages or other purchases.

**G. Financial advisory and custody services (service number 7)** — Covers financial advisory services on mergers and acquisitions (but excludes services where you were at risk of incurring a loss, such as underwriting services (service number 3)), investment newsletters or investment advice, commodity trading advisory services, proxy voting advisory services, custody services (including payments and settlements services such as mortgage servicing services), and other advisory and custody services provided by U.S. or foreign persons who have no discretion, or who have very limited discretion, to act independently from instructions provided by the investor or another principal.

Custodians and subcustodians are persons who manage the custody or safekeeping of securities or other financial instruments. (A subcustodian performs these services as a contractor to a custodian.) U.S.-based custodians and subcustodians who manage the custody or safekeeping of securities directly on behalf of unaffiliated foreign persons (including unaffiliated foreign-based custodians or subcustodians) should report their receipts on Schedule A; U.S.-based private label custodians and other U.S. persons should report their payments of fees to foreign global custodians on Schedule B.

U.S. issuers of American Depositary Receipts (ADR's) and American Depositary Shares (ADS's) should report on Schedule B their payments to unaffiliated foreign correspondent institutions for holding the securities backing the ADR's and ADS's. U.S. issuers of ADS's should also report, on Schedule A, any receipts of sponsorship fees from unaffiliated foreign persons.

Do not include fees received from or paid to a U.S. subsidiary (or U.S. affiliate) of a foreign person, because, under balance of payments conventions, these are considered U.S., not foreign, persons.

Where you do have complete (or substantially complete) discretion to act independently from instructions provided by investors or other principals, report your receipts under service number 4, financial management services. Similarly, where you are an investor or principal, and an unaffiliated foreign person has complete (or substantially complete) discretion to act independently on your behalf, report your payments under service number 4.

**H. Securities lending services (service number 8)** — U.S. securities lenders and borrowers, and their agents, should report amounts received directly from, or paid directly to, unaffiliated foreign persons, for lending or borrowing securities. Include fees received by or paid to principals or agents for arranging loan terms and conditions, monitoring the value of collateral, providing guarantees against default, and providing other securities lending services. Include rebates received or paid on "borrow versus cash transactions." Exclude amounts received from, or paid to, unaffiliated foreign persons by a U.S. or foreign agent upon the default of a customer, because such payments are not considered to be for financial services. Exclude interest under repurchase or reverse repurchase agreements, because interest is not reportable (although, as mentioned, rebates are reportable) on this form.

**I. Foreign exchange brokerage services (service number 9)** — Report explicit brokerage fees and commissions for foreign exchange brokerage services, but exclude earnings from acting as a dealer where the dealer was "at risk" of incurring losses. Thus, earnings from marking positions to market, and inherent earnings from dealer markups on buy and sell transactions (i.e., bid/ask price spreads), should not be reported. Credit card companies should report multi-currency conversion fees under service number 6, credit card services, rather than as foreign exchange brokerage services.

**J. Other financial services (service number 10)** (*Specify primary type(s) in comments section of Schedule A or B, as appropriate.*) — Include the **total** amount of fees you received from or paid to unaffiliated foreign persons for all other financial services combined, such as those listed below. Indicate the type(s) of service(s) accounting for the largest share of the data being reported in the space provided at the bottom of the schedules. Examples of services that may be reported under this category include: Asset pricing services; securities rating services; electronic funds transfer services (include payments to SWIFT, in Belgium); mutual fund exit fees, load charges and 12b-1 service fees; security redemption or transfer services; ATM network services; security clearing and settling services; and brokerage services not covered above, such as for arranging joint ventures. However, do not report real estate brokerage fees (real estate services), business brokerage fees (business services), and commodity or merchandise brokerage fees (wholesale or retail trade services), because these are not considered financial services.

Note that some types of financial services are not covered on this form. See VI. of the Instructions for a list of types of financial services that should not be reported.



## VI. TYPES OF FINANCIAL SERVICES EXCLUDED FROM COVERAGE

The following types of financial services are not covered by this survey:

- A. Stock quotation and financial information services —** These are instead covered by Form BE-22, Annual Survey of Selected Services Transactions With Unaffiliated Foreign Persons, under data base and other information services.
- B. Insurance premiums and losses, and commissions on insurance —** These are not covered on Form BE-80, but are covered on other BEA forms. (*See IV. of these Instructions for information on whom to call regarding these forms.*) Charges at the individual policy level also are not covered by this form.
- C. Annuity purchases and payments —** Annuity purchases and payments to annuitants are not covered by this form. Also, charges at the individual policy level, including insurance-company fees on variable annuities, are not covered by this form.
- D. Pension fund contributions and benefits —** Pension fund contributions and pension benefits are not covered by this form. However, U.S. pension funds may engage in other financial services transactions that are reportable on this form, including payments of brokerage commissions and fees for investment management or financial advisory services to unaffiliated foreign persons.
- E. Interest and dividend receipts and payments —** Under balance of payments conventions, interest and dividends are considered to be investment income rather than income from services, and are therefore not covered on this form.
- F. Premiums and other proceeds from writing (selling) options, forwards, futures, and swaps —** Premiums from writing options, and fees and other proceeds from writing forwards, futures, and swaps are not covered by this form. (However, explicit brokerage commissions on transactions in these financial instruments are covered under service number 1, brokerage, except foreign exchange brokerage services.)
- G. Earnings of principals from buying and selling (including dealing, trading, holding, or arbitrage) of financial instruments, except foreign currency exchange transactions —** Under balance of payments conventions, these types of earnings are considered to be "capital gains" (i.e., earnings that are not from current production) rather than payments for financial services, and are therefore not covered by this form. However, underwriting is considered to be a financial service, and is covered under service number 3.

- H. Foreign currency exchange transactions —** Bid/ask price spreads and trading profits on currency exchange transactions are not covered. However, explicit commissions paid to currency exchange brokers are covered under service number 9, foreign exchange brokerage services.

## VII. REPORTING PROCEDURES

- A. Due date —** A completed BE-80 for fiscal year 1994 transactions is due by May 31, 1995.
- B. Extension —** BEA hopes that by providing until May 31 for respondents to file their report, requests for extensions of time to report will not be necessary. Delays in filing necessarily affect BEA's already tight processing schedule for the benchmark survey. Nevertheless, requests for extension will be considered in hardship cases. They must be in writing and received by BEA at least 15 days before the due date of the report (i.e., by May 16, 1995), and include substantive reasons for the extension. BEA will provide a written response to such requests.
- C. Assistance —** For assistance or additional copies of the forms, telephone (202) 606-5588 between 8:00 a.m. and 4:00 p.m., eastern time.
- D. Number of copies —** A single original copy of each required form (including Form BE-80(A) and, if appropriate, one or more Forms BE-80(B)) must be filed with BEA. Please use the copy with the address label if such a labeled copy has been provided. Companies that elect to file separate reports for their separately organized financial services subsidiaries or parts must file a separate original copy of Form BE-80(B) for each separate subsidiary or part. In addition, each U.S. Reporter must retain a copy of each report to facilitate resolution of problems. In order to facilitate survey processing, BEA requests that respondents assemble together and file in a single packet Form BE-80(A) and all Forms BE-80(B) for their enterprise.
- E. Where to send the report —** Reports filed by mail through the U.S. Postal Service should be sent to U.S. Department of Commerce, Bureau of Economic Analysis BE-50(SSB), Washington, DC 20230. Reports filed by direct private delivery should be directed to U.S. Department of Commerce, Bureau of Economic Analysis BE-50(SSB), Shipping and Receiving, Room M-100, 1441 L Street, N.W., Washington DC 20005.
- F. Estimates —** If actual figures are not available, estimates should be supplied and labeled as such. When data items cannot be fully subdivided as required, totals and an estimated breakdown of the totals should be supplied.

**FORM BE-82(A) (Report for Consolidated U.S. Enterprise)**U.S. DEPARTMENT OF COMMERCE  
BUREAU OF ECONOMIC ANALYSIS**MANDATORY — CONFIDENTIAL  
ANNUAL SURVEY OF FINANCIAL  
SERVICES TRANSACTIONS  
BETWEEN U.S. FINANCIAL  
SERVICES PROVIDERS AND  
UNAFFILIATED FOREIGN  
PERSONS****MAIL  
REPORTS  
TO**U.S. Department of Commerce  
Bureau of Economic Analysis  
BE-50(SSB)  
Washington, DC 20230**OR****DELIVER  
REPORTS  
TO**U.S. Department of Commerce  
Bureau of Economic Analysis  
BE-50(SSB)  
Shipping & Receiving, Room M-100  
1441 L Street, NW  
Washington, DC 20005

Public reporting burden for this collection of information (consisting of Form BE-82(A) and, as appropriate, one or more Forms BE-82(B)) is estimated to vary from 4 to 150 hours per response, with an average of 7.5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate, including suggestions for reducing this burden, to Director, Bureau of Economic Analysis (BE-1), U.S. Department of Commerce, Washington, DC 20230; and to the Office of Management and Budget, Paperwork Reduction Project 0608-0063, Washington, DC 20503.

**BEA USE ONLY**

Control number

0 0 0

A

**Part I NAME, ADDRESS, AND DETERMINATION OF REPORTING STATUS****1. Name and address of the consolidated U.S. enterprise —**  
*Enter or correct as necessary.*

Form BE-82(A) covers all subsidiaries and parts of the consolidated U.S. enterprise that are financial services providers or intermediaries combined. If you are not the top U.S. parent corporation in the consolidated enterprise, you may need to contact your top parent corporation to ensure that the information provided is for all reportable units of the enterprise combined.

- A. Due date** — A completed BE-82, consisting of Form BE-82(A) and, as appropriate, one or more Forms BE-82(B), is due March 31 of the calendar year following the one in which the U.S. Reporter's fiscal year ends.
- B. What to file** — All persons who receive copies of this survey must complete Part I of Form BE-82(A). All persons subject to the mandatory reporting requirement must also complete Part II of Form BE-82(A), and Parts I and II and the mandatory section(s) of the appropriate schedule(s) of Form BE-82(B). Persons who are exempt from the mandatory reporting requirement but who elect to report data voluntarily are asked to also complete Part II of Form BE-82(A), and Parts I and II and the voluntary section(s) of the appropriate schedule(s) of Form BE-82(B). Recipients of this form that are exempt from mandatory reporting and do not wish to report data voluntarily must complete Part I of Form BE-82(A) and the Exemption Claim. In order to facilitate survey processing, respondents should assemble together and file in a single packet Form BE-82(A) and all Forms BE-82(B) for their enterprise.
- C. Assistance** — For assistance or additional copies of the forms, telephone (202) 606-5588 between 8:00 a.m. and 4:00 p.m., eastern time.
- D. Number of copies** — A single original copy of the survey (including Form BE-82(A) and, as appropriate, one or more Forms BE-82(B)) must be filed with BEA. Please use the copy with the address label if such a labeled copy has been provided. Companies that elect to file separate reports for their separately organized financial services subsidiaries or parts must file a separate original copy of Form BE-82(B) for each separate subsidiary or part. In addition, each U.S. Reporter must retain a copy of each report to facilitate resolution of problems.
- E. Estimates** — If actual figures are not available, estimates should be supplied and labeled as such. When data items cannot be fully subdivided as required, totals and an estimated breakdown of the totals should be supplied.

**PERSON TO CONSULT CONCERNING  
QUESTIONS ABOUT THIS FORM BE-82(A)  
REPORT — Enter name and telephone  
number.**

Name

**CERTIFICATION** — The undersigned official certifies that this report has been prepared in accordance with the applicable instructions, is complete, and is substantially accurate except that, in accordance with VII.F of the **Instructions**, estimates have been provided where data are not available from customary accounting records or precise data could not be obtained without undue burden.

Authorized official's signature

**TELEPHONE  
NUMBER**

Area code

Number

Extension

Print or type name and title

Date



## 2. Determination of reporting status

If transactions (either sales or purchases) with unaffiliated foreign persons in all types of financial services combined by all financial services providers within an enterprise are \$5 million or less during the fiscal year, the U.S. person **may** voluntarily report the estimated totals for each type of service, not distributed by individual foreign country, on line 20 of Schedule A and/or B of Form BE-82(B), as appropriate. (However, if information on the foreign countries involved in the transactions is readily available, the totals and a disaggregation by country may instead be reported in the mandatory section.) Because the \$5 million threshold applies separately to sales and purchases, this voluntary reporting option may apply only to sales, only to purchases, or to both sales and purchases.

Annual report for fiscal year ending →

Year			
1	9		

Mark (X) one:

- 10001

**1** ☐ The consolidated U.S. enterprise (including the top parent and all of its subsidiaries and parts, whether reporting together or separately) is required to report data in the mandatory section of at least one Form BE-82(B).

**2** ☐ The consolidated U.S. enterprise (including the top parent and all of its financial subsidiaries and parts, whether reporting together or separately) is not required to report data in the mandatory sections of Form BE-82(B) but elects to report data voluntarily.

**3** ☐ The consolidated U.S. enterprise is not reporting data in either the mandatory or voluntary section of Form BE-82(B). — *Complete the Exemption Claim on page 3; SKIP item 3 of this Part.*

*Proceed to item 3 of this Part.*

**3. Employer Identification Number (EIN) of the consolidated U.S. enterprise.**

Primary EIN —

10002

1		-							
---	--	---	--	--	--	--	--	--	--

Additional EIN (if available) —

10003

1		—							
---	--	---	--	--	--	--	--	--	--

20001

**BEA USE ONLY**[illegible]

**Part II LIST OF ALL FINANCIAL SERVICES PROVIDERS REPORTING SEPARATELY**  
 Complete Part II only if you checked box 1 or 2 in Part I, item 2. List below the name(s) of the financial services providers within the consolidated U.S. enterprise that are reporting separately on Form BE-82(B). If you are filing only a single Form BE-82(B) covering all financial services providers of the consolidated U.S. enterprise combined, only one entry should appear below. Continue listing onto as many additional copied pages as necessary.

Complete Part II only if you checked box 1 or 2 in Part I, item 2. List below the name(s) of the financial services providers within the consolidated U.S. enterprise that are reporting separately on Form BE-82(B). If you are filing only a single Form BE-82(B) covering all financial services providers of the consolidated U.S. enterprise combined, only one entry should appear below. Continue listing onto as many additional copied pages as necessary.

[illegible]

**Complete this Exemption Claim only if you marked (X) box 3 in Part I, item 2, of this form.**

Neither the **consolidated U.S. enterprise** nor any of its subsidiaries or parts is reporting any data on any Form BE-82(B) because the consolidated enterprise:

Mark (X) appropriate box.

- 10014

☐ **1** Was not in existence at any time during the reporting period.

☐ **2** Had no subsidiaries or parts that were financial services providers.

☐ **3** Had no transactions, either sales or purchases, of the types of financial services covered, with unaffiliated foreign persons.

☐ **4** Had transactions, either sales or purchases, of the types covered, but is not subject to the mandatory reporting requirement, because neither its sales nor its purchases of financial services exceeded \$5 million (*See I.A.1. of the Instructions* — Exemption is based upon sales or purchases of financial services by **all** subsidiaries or parts of the consolidated U.S. enterprise that are financial services providers combined). The U.S. enterprise does not wish to report the data voluntarily. **The total amount of the transactions with unaffiliated foreign persons by this consolidated U.S. enterprise, for all financial services combined, was approximately —**

Report in thousands of U.S. dollars	
Sales	Purchases
1	2
\$	\$

- ☒ 5 ☐ Other — Specify

### NOTE

If you marked (X) a box in this Exemption Claim, your enterprise should not complete any Forms BE-82(B).



FORM BE-82(B) (Report for Financial Services Provider)  
(8/96)U.S. DEPARTMENT OF COMMERCE  
BUREAU OF ECONOMIC ANALYSIS**MANDATORY — CONFIDENTIAL  
ANNUAL SURVEY OF FINANCIAL  
SERVICES TRANSACTIONS  
BETWEEN U.S. FINANCIAL  
SERVICES PROVIDERS AND  
UNAFFILIATED FOREIGN  
PERSONS****MAIL  
REPORTS  
TO**U.S. Department of Commerce  
Bureau of Economic Analysis  
BE-50(SSB)  
Washington, DC 20230

OR

**DELIVER  
REPORTS  
TO**U.S. Department of Commerce  
Bureau of Economic Analysis  
BE-50(SSB)  
Shipping & Receiving, Room M-100  
1441 L Street, NW  
Washington, DC 20005**BEA USE ONLY**

Control number

**B****Part I IDENTIFICATION OF FINANCIAL SERVICES PROVIDER**

**1. Name and address of U.S. Reporter** — Enter the name and address of the U.S. person filing this report. If this report is for a separately organized financial services subsidiary or part of a consolidated enterprise, give the name and address of the subsidiary or part that is reporting on this Form BE-82(B). If an address label is affixed, make corrections as appropriate.

**2. Name and control number (if known) of the consolidated U.S. enterprise of which the U.S. Reporter identified above is a subsidiary or part** — If the U.S. Reporter named above is a separately organized financial services subsidiary or part of a consolidated U.S. enterprise, give the control number (if known) and name of the consolidated U.S. enterprise of which it is a part; otherwise, do not complete this item. The control number of the U.S. enterprise is located on the address label that may be affixed to Form BE-82(A), Part I, item 1.

Control number of consolidated U.S. enterprise

10001

1									
---	--	--	--	--	--	--	--	--	--

Name

**Due date** — A completed BE-82, consisting of Form BE-82(A) and, as appropriate, one or more Forms BE-82(B), is due March 31 of the calendar year following the one in which the U.S. Reporter's fiscal year ends.

**Assistance** — For assistance or additional copies of the forms, telephone (202) 606-5588 between 8:00 a.m. and 4:00 p.m., eastern time.

**IMPORTANT NOTE** — Before completing this Form BE-82(B), a consolidated U.S. enterprise (including the top parent and all of its subsidiaries and parts combined) must complete Form BE-82(A) to determine its reporting status. If the enterprise is subject to the mandatory reporting requirement, or if it is exempt from the mandatory reporting requirement but chooses to report data voluntarily, either a separate Form BE-82(B) may be filed for each separately organized financial services subsidiary or part of the consolidated U.S. enterprise, or a single BE-82(B) may be filed, representing the sum of covered transactions by all financial services subsidiaries or parts of the enterprise combined. The number of Forms BE-82(B) filed must agree with the number of U.S. Reporters listed in Part II of Form BE-82(A).

**PERSON TO CONSULT CONCERNING  
QUESTIONS ABOUT THIS FORM BE-82(B)  
REPORT** — Enter name and address.

**CERTIFICATION** — The undersigned official certifies that this report has been prepared in accordance with the applicable instructions, is complete, and is substantially accurate except that, in accordance with VII.F of the **Instructions**, estimates have been provided where data are not available from customary accounting records or precise data could not be obtained without undue burden.

Authorized official's signature

TELEPHONE  
NUMBER

Area code

Number

Extension

Print or type name and title

Date

## Part II




**SCHEDULE A — Receipts of Fees and Commissions From Unaffiliated Foreign Persons for Financial Services**

The mandatory section of Schedule A is **required** to be completed for each type of financial service listed below if total sales to unaffiliated foreign persons of all types of financial services combined by all subsidiaries and parts of the consolidated U.S. enterprise that are financial services providers or intermediaries exceed \$5,000,000. The voluntary section is **requested** to be completed if total sales to unaffiliated foreign persons of all types of financial services combined by all subsidiaries and parts of the consolidated U.S. enterprise that are financial services providers or intermediaries are \$5,000,000 or less.

Enter the number associated with the type of financial service, instead of the complete title of the service, in the column heading of Schedule A. See V. of the **Instructions** for complete descriptions of the types of financial services covered.

Enter the names of countries not on the preprinted list, as appropriate, in the left hand margin of Schedule A. Transactions with international organizations are considered to be with unaffiliated foreign persons; these may be shown opposite an abbreviated designation, "Int'l Org." Use additional copied sheets to list additional countries, as necessary.

Service number	Service
<b>1</b>	Brokerage, except foreign exchange brokerage services
<b>2</b>	Private placement services
<b>3</b>	Underwriting services
<b>4</b>	Financial management services
<b>5</b>	Credit-related services, except credit card services
<b>6</b>	Credit card services
<b>7</b>	Financial advisory and custody services
<b>8</b>	Securities lending services
<b>9</b>	Foreign exchange brokerage services
<b>10</b>	<p><b>Other financial services</b></p> <ul style="list-style-type: none"> <li>• If you use this service number — Enter on the schedule the total amount of fees you received for all other financial services combined. See V. of the <b>Instructions</b> for examples of types of financial services to report under this service number.</li> <li>• If you reported data in the mandatory section of Schedule A under this service number — Enter a brief description of the primary type(s) of service(s) sold. </li> </ul>

**SCHEDULE A — Receipts of Fees and Commissions From Unaffiliated Foreign Persons for Financial Services**

RECEIPTS FROM		BEA USE ONLY		REPORT IN THOUSANDS OF U.S. DOLLARS															
				Service number:	Service number:	Service number:	Service number:	Service number:											
				(1)	(2)	(3)	(4)	(5)	(6)	(7)									
<b>MANDATORY</b> <i>Complete if total receipts of fees and commissions by the consolidated U.S. enterprise exceed \$5,000,000. Also complete question 21, as appropriate.</i>		A1000																	
<b>1. All countries, total</b>		001																	
<b>2. Belgium</b>		002	1	302	2	3	4	5	6	7									
<b>3. Canada</b>		003	1	100	2	3	4	5	6	7									
<b>4. France</b>		004	1	302	2	3	4	5	6	7									
<b>5. Germany</b>		005	1	308	2	3	4	5	6	7									
<b>6. Hong Kong</b>		006	1	611	2	3	4	5	6	7									
<b>7. Italy</b>		007	1	314	2	3	4	5	6	7									
<b>8. Japan</b>		008	1	614	2	3	4	5	6	7									
<b>9. Netherlands</b>		009	1	319	2	3	4	5	6	7									
<b>10. Singapore</b>		010	1	625	2	3	4	5	6	7									
<b>11. United Kingdom</b>		011	1	327	2	3	4	5	6	7									
<b>Other — Specify</b> <i>(Use additional copied sheets as necessary.)</i>			1		2		3	4	5	6	7								
<b>12.</b>		012	1		2		3	4	5	6	7								
<b>13.</b>		013	1		2		3	4	5	6	7								
<b>14.</b>		014	1		2		3	4	5	6	7								
<b>15.</b>		015	1		2		3	4	5	6	7								
<b>16.</b>		016	1		2		3	4	5	6	7								
<b>17.</b>		017	1		2		3	4	5	6	7								
<b>18.</b>		018	1		2		3	4	5	6	7								
<b>19.</b>		019	1		2		3	4	5	6	7								
<b>VOLUNTARY</b> <i>Complete if total receipts of fees and commissions by the consolidated U.S. enterprise are \$5,000,000 or less.</i>																			
<b>20. All countries, total</b>		020	1	709	2	3	4	5	6	7									
<b>MANDATORY</b>			<ul style="list-style-type: none"> <li>If you are subject to the survey's mandatory reporting requirement and you entered data under service number 1 — <i>Complete item 21.</i></li> <li>If you are subject to the survey's mandatory reporting requirement and you entered data under service number 10 — <i>Describe the primary type(s) of service(s) in the space provided on page 3 of this form.</i></li> </ul>																
<b>21.</b> If you reported data in the mandatory section of Schedule A under service number 1, brokerage, except foreign exchange brokerage services — <i>Indicate the approximate amount of the total for all countries combined that was for transactions in each of the following groups of financial products. (These estimates may be based upon the judgment of knowledgeable persons, without conducting a detailed records search.)</i>			<table border="1"> <thead> <tr> <th></th> <th>Report in thousands of U.S. dollars (1)</th> </tr> </thead> <tbody> <tr> <td>a. Long-term securities (stocks and bonds, including collateralized mortgage obligations, with no original maturity or with original maturity of more than 1 year)</td> <td>021</td> </tr> <tr> <td>b. Long-term and short-term derivative products (i.e., options, futures, swaps, forwards, and warrants)</td> <td>022</td> </tr> <tr> <td>c. Other (such as commercial paper and bankers acceptances)</td> <td>023</td> </tr> </tbody> </table>										Report in thousands of U.S. dollars (1)	a. Long-term securities (stocks and bonds, including collateralized mortgage obligations, with no original maturity or with original maturity of more than 1 year)	021	b. Long-term and short-term derivative products (i.e., options, futures, swaps, forwards, and warrants)	022	c. Other (such as commercial paper and bankers acceptances)	023
	Report in thousands of U.S. dollars (1)																		
a. Long-term securities (stocks and bonds, including collateralized mortgage obligations, with no original maturity or with original maturity of more than 1 year)	021																		
b. Long-term and short-term derivative products (i.e., options, futures, swaps, forwards, and warrants)	022																		
c. Other (such as commercial paper and bankers acceptances)	023																		




**SCHEDULE B — Payments of Fees and Commissions to Unaffiliated Foreign Persons for Financial Services**

The mandatory section of Schedule B is **required** to be completed for each type of financial service listed below if total purchases from unaffiliated foreign persons of all types of financial services combined by all subsidiaries and parts of the consolidated U.S. enterprise that are financial services providers or intermediaries exceed \$5,000,000. The voluntary section is **requested** to be completed if total purchases from unaffiliated foreign persons of all types of financial services combined by all subsidiaries and parts of the consolidated U.S. enterprise that are financial services providers or intermediaries are \$5,000,000 or less.

Enter the number associated with the type of financial service, instead of the complete title of the service, in the column heading of Schedule B. See V. of the **Instructions** for complete descriptions of the types of financial services covered.

Enter the names of countries not on the preprinted list, as appropriate, in the left hand margin of Schedule B. Transactions with international organizations are considered to be with unaffiliated foreign persons; these may be shown opposite an abbreviated designation, "Int'l Org." Use additional copied sheets to list additional countries, as necessary.

Service number	Service
<b>1</b>	Brokerage, except foreign exchange brokerage services
<b>2</b>	Private placement services
<b>3</b>	Underwriting services
<b>4</b>	Financial management services
<b>5</b>	Credit-related services, except credit card services
<b>6</b>	Credit card services
<b>7</b>	Financial advisory and custody services
<b>8</b>	Securities lending services
<b>9</b>	Foreign exchange brokerage services
<b>10</b>	<p><b>Other financial services</b></p> <ul style="list-style-type: none"> <li>• If you use this service number — Enter on the schedule the total amount of fees you paid for all other financial services combined. See V. of the <b>Instructions</b> for examples of types of financial services to report under this service number.</li> <li>• If you reported data in the mandatory section of Schedule B under this service number — Enter a brief description of the primary type(s) of service(s) purchased. </li> </ul>

**SCHEDULE B — Payments of Fees and Commissions to Unaffiliated Foreign Persons for Financial Services**

PAYMENTS TO		BEA USE ONLY		REPORT IN THOUSANDS OF U.S. DOLLARS					
				Service number:	Service number:	Service number:	Service number:	Service number:	
				(1)	(2)	(3)	(4)	(5)	(6)
<b>MANDATORY</b> <i>Complete if total payments of fees and commissions by the consolidated U.S. enterprise exceed \$5,000,000. Also complete question 21, as appropriate.</i>		B1000							
<b>1. All countries, total</b>		001							
2. Belgium	002	1	302	2	3	4	5	6	7
3. Canada	003	1	100	2	3	4	5	6	7
4. France	004	1	307	2	3	4	5	6	7
5. Germany	005	1	308	2	3	4	5	6	7
6. Hong Kong	006	1	611	2	3	4	5	6	7
7. Italy	007	1	314	2	3	4	5	6	7
8. Japan	008	1	614	2	3	4	5	6	7
9. Netherlands	009	1	319	2	3	4	5	6	7
10. Singapore	010	1	625	2	3	4	5	6	7
11. United Kingdom	011	1	327	2	3	4	5	6	7
Other — <b>Specify</b> (Use additional copied sheets as necessary.)									
12.	012								
13.	013	1		2	3	4	5	6	7
14.	014	1		2	3	4	5	6	4
15.	015	1		2	3	4	5	6	7
16.	016	1		2	3	4	5	6	7
17.	017	1		2	3	4	5	6	4
18.	018	1		2	3	4	5	6	7
19.	019	1		2	3	4	5	6	7
<b>VOLUNTARY</b> <i>Complete if total payments of fees and commissions by the consolidated U.S. enterprise are \$5,000,000 or less.</i>									
<b>20. All countries, total</b>		020	709						
<b>MANDATORY</b> <ul style="list-style-type: none"> <li>If you are subject to the survey's mandatory reporting requirement and you entered data under service number 1 — <i>Complete item 21.</i></li> <li>If you are subject to the survey's mandatory reporting requirement and you entered data under service number 10 — <i>Describe the primary type(s) of service(s) in the space provided on page 5 of this form.</i></li> </ul>									
<b>21.</b> If you reported data in the mandatory section of Schedule B under service number 1, brokerage, except foreign exchange brokerage services — <i>Indicate the approximate amount of the total for all countries combined that was for transactions in each of the following groups of financial products. (These estimates may be based upon the judgment of knowledgeable persons, without conducting a detailed records search.)</i>									
								<i>Report in thousands of U.S. dollars (1)</i>	
a. Long-term securities (stocks and bonds, including collateralized mortgage obligations, with no original maturity or with original maturity of more than 1 year)								021	
b. Long-term and short-term derivative products (i.e., options, futures, swaps, forwards, and warrants)								022	
c. Other (such as commercial paper and bankers acceptances)								023	



U.S. DEPARTMENT OF COMMERCE  
BUREAU OF ECONOMIC ANALYSIS

# **FORM BE-82 INSTRUCTION BOOKLET**

**Annual Survey of Financial Services  
Transactions Between U.S. Financial  
Services Providers and Unaffiliated  
Foreign Persons**

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## INSTRUCTIONS

**Purpose** — Reports on this form are required in order to obtain reliable and up-to-date information on financial services transactions between U.S. financial services providers and unaffiliated foreign persons. The information is needed to support trade negotiations and monitor trade agreements, formulate U.S. international economic policy, and analyze the impact of that policy and the policies of foreign countries on international trade in financial services. The data will also be used in compiling the U.S. balance of payments accounts and national income and product accounts.

**Authority** — The filing of reports for this survey is authorized by Section 3103 of the International Investment and Trade in Services Survey Act (P.L. 94-472, 90 Stat. 2059, 22 U.S.C. 3101-3108, as amended), and by Section 5408 of the Omnibus Trade and Competitiveness Act of 1988 (P.L. 100-418, 15 U.S.C. 4908(c)). Regulations for the survey may be found in 15 CFR Part 801. The survey has been approved by the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. 3501, et seq.).

**Penalties** — Whoever fails to report may be subject to a civil penalty of not less than \$2,500, and not more than \$25,000, and to injunctive relief commanding such person to comply, or both. Whoever willfully fails to report shall be fined not more than \$10,000 and, if an individual, may be imprisoned for not more than one year, or both. Any officer, director, employee, or agent of any corporation who knowingly participates in such violations, upon conviction, may be punished by a like fine, imprisonment, or both. (See 22 U.S.C. 3105.) Notwithstanding the above, a U.S. person is not subject to any penalty for failure to report if a valid Office of Management and Budget control number is not displayed on the form; such a number (0608-0063) is displayed on this form.

**Confidentiality** — The International Investment and Trade in Services Survey Act provides that your report to this Bureau is CONFIDENTIAL. It also provides that your report may be used only for analytical or statistical purposes, and CANNOT be used for purposes of taxation, investigation, or regulation. Copies retained in your files are immune from legal process.

### I. WHO MUST REPORT AND GENERAL COVERAGE

#### A. Who must report

##### 1. Mandatory and voluntary reporting

- a. Mandatory reporting** — A BE-82 report is required from each U.S. person who (i) is a financial services provider or intermediary (see I.B.2. of these Instructions), or whose consolidated U.S. enterprise includes a separately organized subsidiary or part that is a financial services provider or intermediary, and (ii) had transactions (either sales or purchases) directly with unaffiliated foreign persons in all financial services combined (see V. of these Instructions) in excess of \$5,000,000 during its fiscal year covered by the survey. The \$5,000,000 threshold should be applied to financial services transactions with unaffiliated foreign persons by all parts of the consolidated U.S. enterprise combined that are financial services providers or intermediaries, regardless of whether the subsidiaries or parts of the organization file separate Forms BE-82(B). Because the \$5,000,000 threshold applies separately to sales and purchases, this mandatory reporting requirement may apply only to sales, only to purchases, or to both sales and purchases.

The determination of whether a U.S. financial services provider or intermediary is subject to this mandatory reporting requirement may be judgmental, that is, based on the judgment of knowledgeable persons in a company who can identify reportable transactions on a recall basis, with a reasonable degree of certainty, without conducting a detailed manual records search.

Reporters who must file pursuant to this mandatory reporting requirement must complete Parts I and II of Form BE-82(A), and Parts I and II and the mandatory parts of the applicable schedule(s) of Form BE-82(B). The total amounts of transactions applicable to a particular schedule are to be entered in the appropriate column(s) on line 1 of the schedule. In addition, these amounts must be distributed below line 1 to the foreign country(ies) involved in the transaction(s).

- b. Voluntary reporting** — If, during the fiscal year, covered sales or purchases (see V. of these Instructions) by a firm that is a financial services provider or intermediary, or by a firm's subsidiaries or parts combined that are financial services providers or intermediaries, are \$5,000,000 or less, the U.S. person is requested to provide an estimate of the total for each type of service. Provision of this information is voluntary. The estimates may be judgmental, that is, based on recall, without conducting a detailed manual records search. Because the \$5,000,000 threshold applies separately to sales and purchases, this voluntary reporting option may apply only to sales, only to purchases, or to both sales and purchases.

Reporters who elect to file pursuant to the voluntary reporting option should complete Parts I and II of Form BE-82(A), and Parts I and II and the voluntary parts of the applicable schedule(s) of Form BE-82(B). The total amounts of transactions applicable to a particular schedule are to be entered in the appropriate column(s) on line 20 of the schedule. Disaggregation by country is not required if transactions with unaffiliated foreign persons in all types of financial services combined total \$5,000,000 or less. However, if information on the foreign countries involved in the transactions is readily available, the totals and a disaggregation by country may instead be reported in the mandatory section.

- c. Exemption** — A U.S. person receiving this report from BEA who does not meet the criteria for reporting in the mandatory section, and who elects not to report data in the voluntary section, of Form BE-82(B), must complete the Exemption Claim on page 3 of Form BE-82(A).

- 2. Consolidation** — A consolidated U.S. enterprise has the option of filing a single, original copy of Form BE-82(B) covering combined (total) financial services transactions (purchases and sales) of all its subsidiaries and parts that are financial services providers or intermediaries, or of filing separate reports for its separately organized financial services subsidiaries and parts. In either case, Form BE-82(A) must also be completed for the consolidated U.S. enterprise.

The \$5,000,000 exemption level for mandatory reporting is based upon total financial services purchased from, or sold to, unaffiliated foreign persons by all parts of the consolidated U.S. enterprise that are financial services providers or intermediaries combined, regardless of the number of subsidiaries or parts of the enterprise filing separate Forms BE-82(B).

## I. WHO MUST REPORT AND GENERAL COVERAGE — Continued

### B. General Coverage

#### 1. The BE-82 measure of sales (receipts) or purchases (payments)

For most types of financial services covered by this survey, sales and purchases are the measures used to determine whether the threshold for mandatory reporting of the service is exceeded. However, for some services, an item other than sales or purchases may be appropriate. For example, payments of underwriting fees (reportable on Schedule B) must be calculated by an issuer of securities by first estimating gross proceeds to the foreign lead underwriter from the sale to the public of the securities (based upon the number of units of securities sold times the per unit public offer price), and then subtracting the net proceeds received by the issuer from the foreign lead underwriter. The resulting difference is the amount that the issuer should report on Schedule B.

A transaction should be reported in the period when it occurs or is charged (that is, in the period when the provider of the service recognizes or performs the service), whether expensed by the purchaser of the service in that accounting period, amortized over several accounting periods, or included in expenses in a subsequent accounting period. For example, payments of credit-related fees (and payments of securities brokerage commissions) should be reported in the period when credit-related (securities brokerage) services are charged, whether or not the charge for the service is included in the purchaser's expenses for that particular accounting period. *See V. of these Instructions for an explanation of what measures should be applied in determining whether you are subject to the BE-82 survey's mandatory reporting requirements for a given type of service.*

#### 2. BE-82 definition of financial services provider

The definition of financial services providers used for this survey is analogous in coverage to the finance and insurance part of Division H of the 1987 Standard Industrial Classification Manual (SIC major groups 60 through 64, and major group 67). More specifically, companies and/or subsidiaries and other separable parts of companies in the following industries are defined as financial services providers: Depository institutions (including commercial banks and thrifts); nondepository credit institutions; security and commodity futures brokers, dealers, exchanges, traders, underwriters, and services providers (including investment bankers and providers of securities custody services); credit card companies; insurance carriers, agents, brokers and services providers; investment advisors and managers; mutual funds; pension funds; trusts; holding companies; investors; oil royalty traders; etc.

Holding companies that own only **nonfinancial** subsidiaries may elect to omit reporting their **purchases** of financial services from unaffiliated foreign persons on Form BE-82 if they instead report these purchases on Form BE-20, Benchmark Survey of Selected Services Transactions With Unaffiliated Foreign Persons, or Form BE-22, Annual Survey of Selected Services Transactions With Unaffiliated Foreign Persons. Alternatively, these holding companies may elect to report both purchases **and** sales of financial services on Form BE-82; in this case, they should **not** report their purchases of financial services from unaffiliated foreign persons on Form BE-22. In either case, **sales** of financial services to unaffiliated foreign persons must be reported on Form BE-82 if they exceed \$5 million.

### 3. Clarification of general coverage, including special situations

- a. Purchases or sales are to be reported in the period when they occur or are charged. As discussed in I.B.1., this may not be the period in which the transaction is included in the purchaser's income or expense. For example, payments of fees for credit-related services should be reported when the services are rendered, not over the potentially longer period during which the payments may be amortized by the borrower.
- b. Covered transactions are includable regardless of whether the service was performed in the United States or abroad.
- c. When a sale or purchase consists of services that are commingled or bundled (i.e., the different types of services are not separately billed), you should unbundle the transaction whenever possible. When the transaction cannot be unbundled, it should be classified based upon whichever service accounts for the largest share of its value. Note, however, if the services are billed together because they are integral parts of the same transaction (for example, if the fee for financial management services includes payment for custody and other services that are regarded as integral parts of financial management services), then do not unbundle the transaction.
- d. Only financial services purchased or sold by U.S. financial services providers or intermediaries directly from unaffiliated foreign persons are covered by this survey. Transactions in **nonfinancial** services with foreign persons, transactions by **nonfinancial** subsidiaries or other nonfinancial parts of companies, and transactions with affiliated foreign persons are covered by other BEA surveys. *See IV. of these Instructions.*
- e. As discussed in I.B.2., a holding company that owns **only** manufacturing or other **nonfinancial** subsidiaries may elect to report its **purchases** of financial services from unaffiliated foreign persons on Form BE-20 or Form BE-22, rather than on this survey. However, in either case, these holding companies must report their **sales** of financial services to unaffiliated foreign persons on this survey if such sales exceed \$5 million.

## II. DEFINITIONS

- A. **Services** mean economic activities whose outputs are other than tangible goods. This term includes, but is not limited to, banking, other financial services, insurance, transportation, communications and data processing, retail and wholesale trade, advertising, accounting, construction, design, engineering, management consulting, real estate, professional services, entertainment, education, and health care.
- B. **Financial** services include trading, issuing, dealing, underwriting, lending, custody, etc. of financial instruments; financial advisory or management services; credit card services; credit-related services (including establishing, maintaining, or arranging credits, letters of credit, lines of credit, mortgages, etc.); financial rating services; electronic funds transfer services; insurance services; etc. These services typically are performed by firms classified in the finance and insurance part of Division H of the 1987 Standard Industrial Classification Manual (see I.B.2.). Some types of financial services are not covered on this survey. *See V. of the Instructions for a list of financial services that are covered, and see VI. of the Instructions for a list of financial services that are not covered on this survey.*



## II. DEFINITIONS — Continued

- C. U.S. Reporter** means a U.S. person filing a report in this survey. On Form BE-82(A), the U.S. Reporter is the consolidated U.S. enterprise; on Form BE-82(B), the U.S. Reporter may be either the consolidated U.S. enterprise or a financial services subsidiary or part of a consolidated U.S. enterprise reporting separately.
- D. Consolidated U.S. enterprise** means (i) a U.S. financial services provider, (ii) any U.S. corporation, proceeding up the financial services provider's ownership chain, that owns more than 50 percent of the voting securities of the corporation below it, and (iii) any U.S. corporation, proceeding down the ownership chain(s) of each of these corporations, whose voting securities are more than 50-percent-owned by the U.S. corporation above it.
- E. United States**, when used in a geographic sense, means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and all territories and possessions of the United States.
- F. Foreign**, when used in a geographic sense, means that which is situated outside the United States or which belongs to or is characteristic of a country other than the United States.
- G. Person** means any individual, branch, partnership, associated group, association, estate, trust, corporation, or other organization (whether or not organized under the laws of any State), and any government (including a foreign government, the United States Government, a State or local government, and any agency, corporation, financial institution, or other entity or instrumentality thereof, including a government sponsored agency).
- 1. United States person** means any person resident in the United States or subject to the jurisdiction of the United States.
  - 2. Foreign person** means any person resident outside the United States or subject to the jurisdiction of a country other than the United States.
- H. Unaffiliated foreign person** means, with respect to a given U.S. person, any foreign person that is not an affiliated foreign person as defined in paragraph I. below.
- I. Affiliated foreign person** means, with respect to a given U.S. person, (i) a foreign affiliate of which the U.S. person is a U.S. parent, or (ii) the foreign parent or other member of the affiliated foreign group of which the U.S. person is a U.S. affiliate.
- J. Affiliate** means a business enterprise located in one country that is directly or indirectly owned or controlled by a person of another country to the extent of 10 per centum or more of its voting stock for an incorporated business or an equivalent interest for an unincorporated business, including a branch.
- 1. Foreign affiliate** means an affiliate located outside the United States in which a U.S. person has direct investment.
  - 2. U.S. affiliate** means an affiliate located in the United States in which a foreign person has direct investment.
- K. Business enterprise** means any organization, association, branch, or venture which exists for profitmaking purposes or to otherwise secure economic advantage, and any ownership of any real estate. (A business enterprise is a "person" within the definition in paragraph G. above.)
- L. Direct investment** means the ownership or control, directly or indirectly, by one person of 10 per centum or more of the voting stock of an incorporated business enterprise or an equivalent interest in an unincorporated business enterprise.

- M. Parent** means a person of one country who, directly or indirectly, owns or controls 10 per centum or more of the voting securities of an incorporated business enterprise, or an equivalent ownership interest in an unincorporated business enterprise, which is located outside that country.
- 1. U.S. parent** means the U.S. person that has direct investment in a foreign business enterprise, including a branch.
  - 2. Foreign parent** means the first person outside the United States that has direct investment in a U.S. business enterprise, including a branch.
- N. Affiliated foreign group** means (i) the foreign parent, (ii) any foreign person, proceeding up the foreign parent's ownership chain, that owns more than 50 per centum of the person below it up to and including that person which is not owned more than 50 per centum by another foreign person, and (iii) any foreign person, proceeding down the ownership chain(s) of each of these members, which is owned more than 50 per centum by the person above it.
- O. Fiscal year** is the U.S. Reporter's financial reporting year that has an ending date in a given calendar year. For example, fiscal year 19X1 is the U.S. Reporter's financial reporting year that has an ending date in calendar year 19X1. For a person that does not have a financial reporting year, or does not have a financial reporting year ending in a given calendar year, its fiscal year is deemed to be the same as the calendar year.
- P. Country** means, for purposes of this survey, the country of location of the foreign person with whom a transaction has occurred.

## III. GENERAL INSTRUCTIONS

### A. How to differentiate between U.S. and foreign persons

In II.G.2. of these **Instructions**, a "foreign person" is defined as any person resident outside the United States or subject to the jurisdiction of a country other than the United States. Under this definition, persons who reside or expect to reside for 1 year or more in a foreign country are considered to be foreign persons. International organizations are considered to be foreign persons whether they are based in the United States (such as the International Bank for Reconstruction and Development, Inter-American Development Bank, United Nations, World Health Organization, and the Organization of American States) or abroad.

If you are uncertain whether a financial services transaction is with an unaffiliated foreign person, the following procedure should be followed. First, identify the country a transaction is with using billing or mailing address information. The assumption is that a transaction should be shown against a given foreign country (or with an international organization) if the billing or mailing address is of that foreign country (or of an international organization). If the billing or mailing address is in the United States, the transaction ordinarily would be assumed to be a transaction with a U.S. person and, therefore, not reportable on this survey.

Although billing or mailing addresses may provide a satisfactory basis for differentiating between U.S. and foreign persons in most cases, in some cases they may not, such as where foreign customers have provided billing addresses of U.S. agents or other locations of convenience in the United States, or U.S. customers have provided foreign billing addresses. Thus, for transactions of significant size (i.e., those that will affect the overall level of transactions reported in this survey for a given type of service), a second step may be necessary. For each type of service, you must determine whether or not you need to take the following additional step in order to assure accuracy of data reported in this survey.



### III. GENERAL INSTRUCTIONS — Continued

The second step is to examine other available information on the residency of your largest customers and contractors. For example, to review the residency of your customers, you might refer to IRS Form W-8, Certificate of Foreign Status (filed by foreign persons), IRS Form W-9, Request for Taxpayer Identification Number and Certification (filed by U.S. persons), and/or any other available information on the residency of persons with whom you have sold or purchased financial services.

For some types of services, such as underwriting services, it may be necessary to rely on additional information to correctly determine the residency of your customers in order to assure accuracy; for other types of services, it will probably be sufficient to use billing address information alone.

#### B. Who must report a transaction when an intermediary is involved

Financial services transactions between a U.S. person and a foreign person are frequently arranged by, billed through, or otherwise facilitated by, a financial services provider or intermediary. The intermediary may be U.S. or foreign, and may be affiliated or unaffiliated with the U.S., or the foreign, person. The U.S. financial services provider or intermediary who **directly** deals with an unaffiliated foreign person, not the U.S. customer of the intermediary, is typically responsible for reporting the transaction on this survey.

The following guidelines should be used to determine who should report BE-82 data on payments of brokerage fees and commissions (service number 1) in cases where more than one U.S. financial services provider is involved in or knowledgeable about the transaction.

Where a U.S. broker is involved in the transaction, the broker should report the data on payments of brokerage commissions. If a U.S. broker is not involved, a U.S. financial manager, such as a fund or investment manager, involved in the transaction should report the data. Where neither a U.S. broker nor a U.S. manager is involved in the transaction, a U.S. custodian should report; this would be the case, for example where the principal uses a foreign (rather than a U.S.) financial manager, but a U.S. custodian. (In this case, the custodian may wish to contact the principal to determine which of his financial managers are foreign persons.) If the custodian does not have or cannot obtain the information needed to report, then the U.S. principal, or his paying agent, should report the data; the U.S. principal must make the determination of whether he or his paying agent is responsible for reporting.

Respondents may deviate from these guidelines by agreement among themselves, but they should confer with one another to assure that the data reported on payments of brokerage commissions are neither omitted from all BE-82 reports, resulting in under-counting of data, nor reported on more than one BE-82 report, resulting in duplication.

#### C. Distinguishing transactions with affiliated foreign persons from transactions with unaffiliated foreign persons

For purposes of reporting in this survey, it is necessary to distinguish between transactions between affiliated U.S. and foreign persons, and transactions between unaffiliated U.S. and foreign persons. Only transactions with unaffiliated foreign persons are to be reported in this survey; services transactions with affiliated foreign persons are reportable in other BEA surveys (*see IV. of these Instructions*). An unaffiliated foreign person is a foreign person that is neither the foreign affiliate nor the foreign parent (or other member of the affiliated foreign group) of the consolidated U.S. enterprise filing Form BE-82(A) of this survey. (*See II.I., J., M. and N. in the Instructions.*)

Transactions with unaffiliated foreign persons by or through a foreign activity of a U.S. person that is not a foreign affiliate of the U.S. person are deemed to be direct transactions of the U.S. person, and any financial services sold to, or purchased from, unaffiliated foreign persons through such an activity are reportable in this survey.

If a U.S. person's foreign activity or operation is incorporated abroad, it is a foreign affiliate.

If a U.S. person's foreign activity or operation is NOT incorporated abroad, its status is based on the weight of the evidence when the factors listed below are considered.

An unincorporated foreign activity or operation generally **WOULD NOT** be considered a foreign affiliate if it: **(i)** conducts business abroad only for the U.S. person's account and not for its own account; **(ii)** has no separate financial statements (including an income statement and balance sheet); **(iii)** receives funds to cover its expenses only from the U.S. person; **(iv)** pays no foreign income taxes; and **(v)** has limited physical assets, or employees, permanently located abroad.

Criteria for determining which U.S. activities do or do not constitute a U.S. affiliate of a foreign person are parallel to those listed above.

### IV. RELATED FORMS

Persons receiving this form should be aware of other forms on services that are required to be filed on a mandatory basis with BEA (*see 15 CFR, Part 801, Section 9(b).*)

The BE-80, Benchmark Survey of Financial Services Transactions Between U.S. Financial Services Providers and Unaffiliated Foreign Persons, for which this BE-82 survey is the annual follow-on, was first conducted for 1994 and will be conducted every 5 years thereafter. It covers the same services as this survey but has a lower exemption level. BEA also conducts surveys of other types of services transactions with unaffiliated foreign persons (such as Form BE-48, Annual Survey of Reinsurance and Other Insurance Transactions by U.S. Insurance Companies With Foreign Persons; Form BE-93, Annual Survey of Royalties, License Fees, and Other Receipts and Payments for Intangible Rights Between U.S. and Unaffiliated Foreign Persons; Form BE-20, Benchmark Survey of Selected Services Transactions With Unaffiliated Foreign Persons; and Form BE-22, Annual Survey of Selected Services Transactions With Unaffiliated Foreign Persons). All inquiries about these surveys should be directed to BEA's International Investment Division (IID) at (202) 606-5588. In addition, BEA collects information on services transactions with affiliated foreign persons in its direct investment surveys. Inquiries concerning BEA's survey of services transactions between U.S. parent companies and their foreign affiliates (Form BE-577) should be directed to IID at (202) 606-5599, and inquiries concerning services transactions between U.S. affiliates and their foreign parent companies (Forms BE-605 and BE-605 Bank) should be directed to IID at (202) 606-5577.

Under the Treasury International Capital reporting system, the Department of the Treasury conducts mandatory surveys on the international financial position of the United States and on movements of portfolio investment capital between the United States and foreign countries that may give rise to financial services transactions. Inquiries about these surveys should be directed to the Federal Reserve Bank of New York (as contractor for the Treasury Department) at (212) 720-8243.



## V. SERVICES COVERED

Receipts (**Schedule A of Form BE-82(B)**) and payments (**Schedule B**) of fees and commissions for the following types of financial services are covered by this survey:

**A. Brokerage, except foreign exchange brokerage services (service number 1)** — Schedule A covers your receipts of commissions (inclusive of taxes and stamp duties) directly from unaffiliated foreign customers for executing orders to purchase or sell securities, options, futures, and other financial instruments, except foreign currency. It excludes income, such as option premiums, where you were a dealer or other principal who was at risk of incurring a loss on the financial instrument rather than acting solely as a broker. Schedule B covers your payments of commissions (inclusive of taxes and stamp duties) directly to unaffiliated foreign brokers for executing your, or your customers', orders.

Brokerage fees arising from foreign currency exchange transactions should not be reported here, but should instead be reported under service number 9, foreign exchange brokerage services. Origination fees in connection with derivative financial instruments that trade over the counter ordinarily should not be reported here. These should be reported here **only** if they are separately identified in transaction documentation issued by the dealer or intermediary in the instruments to its customers, and are considered to be commissions rather than undifferentiated components of overall trading or marketmaking gains. Brokerage commissions for arranging joint ventures are covered under service number 10, "other" financial services. Fees for commodity or merchandise brokerage services (as opposed to fees for purchasing or selling commodity futures) are not covered because they are not considered to be financial services.

See III.B. of these **Instructions** for clarification of who is responsible for reporting data on payments of brokerage fees and commissions where more than one U.S. financial services provider is involved in or knowledgeable about the transaction.

**B. Private placement services (service number 2)** — Covers fees you received from an unaffiliated foreign issuer of securities for privately placing its securities, or fees that you paid to an unaffiliated foreign person who privately placed your securities, including fees on dealer-placed commercial paper. Do not report earnings from buying and selling (i.e., trading) commercial paper or other securities for your own account, because they are not considered to be financial services.

**C. Underwriting services (service number 3)** — Covers earnings from buying and reselling an entire or substantial portion of newly issued securities. If you purchased securities from an unaffiliated foreign person (issuer or lead underwriter) and resold them to others at a lower price, report your loss as negative receipts on Schedule A. (This is the only financial service category where negative amounts may be reported.)

Where you are lead underwriter, report receipts of underwriting fees and payments of selling concessions and other expenses separately. Underwriting fees, before deduction of selling concessions paid to other members of the syndicate, should be reported on Schedule A according to the country of the person (issuer) from whom you purchased the securities. Selling concessions and reimbursements for expenses paid by you to unaffiliated foreign members of the syndicate should be reported on Schedule B based upon the country(ies) of the foreign syndicate members receiving the selling concessions and reimbursements.

Where you are a syndicate member other than the lead underwriter, report on Schedule A selling concessions received by you based upon the country of the lead underwriter.

Where you are the issuer of securities, payments of underwriting fees reported on Schedule B should be calculated as follows: First, calculate gross proceeds to the underwriter from the sale to the public of your securities. This estimate should equal the number of units of securities sold to the foreign lead underwriter times the per unit public offer price. (If the public offer price is not available from your internal accounting records, consult the prospectus or other public offer document.) Second, from this amount, subtract the net proceeds you received when you sold your securities to the foreign lead underwriter. The resulting difference is the amount to report on Schedule B as payments of underwriting fees, classified according to the country of the foreign lead underwriter.

Fees or commissions received by, or paid to, intermediaries that arrange the sale of securities (including mutual fund shares) they do not themselves own should be reported as brokerage services (under service number 1) rather than as underwriting services.

**D. Financial management services (service number 4)** — Covers services in which the provider of the service has the authority to direct the use or investment of funds or other assets. Report fee income from (to) unaffiliated foreign persons for managing or administering financial portfolios, such as cash, securities, futures, and other financial instruments or assets, if you (they) have this authority. (If a U.S. or foreign person has input into the decision-making process but does not have this authority, report the fees under service number 7, financial advisory and custody services.) Report these fees whether or not the assets are in the custody of the manager or in the custody of another U.S. or foreign person whom the manager directs. Include fees from actively managed accounts (where research and market timing skills are also provided) and fees from passively managed, or indexed, accounts, such as where the portfolio is composed of certain securities so that its performance will track that of an index.

U.S. persons (including trustees and fiduciaries with management authority) should report their fees from managing **foreign** commodity pools, mutual funds, hedge funds, trusts (including trusts containing mortgages), etc. (which are considered foreign persons) on Schedule A. Fees from managing U.S. mutual funds, hedge funds, trusts (including trusts containing mortgages), etc. (which are considered U.S. persons) should not be reported **unless** the management fee is charged directly to a foreign investor, owner, beneficiary, maker, etc., of the U.S. mutual fund, hedge fund, or trust rather than charged to the U.S. mutual fund, etc. itself.

U.S.-based custodians and subcustodians who manage the custody or safekeeping of securities directly on behalf of unaffiliated foreign persons (including unaffiliated foreign-based custodians or subcustodians) should report their receipts from, and U.S.-based private label custodians should report their payments to, unaffiliated foreign persons (including foreign custodians and subcustodians) under service number 7, financial advisory and custody services.

Foreign participation in U.S. futures markets frequently occurs indirectly, by foreign persons investing directly in a foreign commodity pool that, in turn, invests directly in the U.S. futures market. Foreign commodity pools may be organized by U.S. commodity pool operators (CPO's), such as U.S. brokerage institutions. U.S. CPO's must report on Schedule A their fees from managing foreign commodity pools, including additional management fees received based upon positive returns. However, exclude gains and losses to principal amounts you have invested in the pool; in this case, your earnings are considered to be capital gains, which are not covered on Schedules A and B. (Similar guidelines pertain to the earnings of U.S. persons who manage foreign hedge funds; i.e., report management fees including additional fees based on positive returns, but do not report gains or losses principal amounts invested in the funds.)



## V. SERVICES COVERED — Continued

Do not report receipts (payments) of your foreign affiliates from (to) foreign persons. For example, where your foreign affiliate manages foreign assets, the management fee paid by foreign clients to your foreign affiliate should not be reported on this form, because the fee was not received by the U.S. Reporter from an unaffiliated foreign person. (See *II. and III. of the Instructions* for a discussion of foreign activities of a U.S. person that constitute a foreign affiliate.) Similarly, fees paid by you to, or received by you from, a U.S. affiliate of a foreign person should not be reported.

Do not report funding for foreign sales promotion and representative offices in this survey. Such funding should be reported instead on Form BE-20 or BE-22.

**E. Credit-related services, except credit card services (service number 5)** — Includes fees received from or paid to unaffiliated foreign persons for credit-related or lending-related services, such as fees for renegotiating debt terms and fees for establishing/originating, maintaining, accepting or arranging standby letters of credit, commercial and similar letters of credit, letters of indemnity, lines of credit, participations in acceptances, mortgages, credit facilities, etc. For example, include receipts and payments of reimbursement commissions for honoring import letters of credit (ILC's), and of discrepancy fees for financial services provided when goods imported under ILC's do not fully meet specifications. Include fees for factoring services, issuing financial guarantees and loan commitments (to make or purchase loans), arranging or entering into financial lease contracts, etc. Include both fees paid directly and fees that are withheld or deducted from the proceeds. Include fees for credit-related services received by, or paid to, note issuance facilities (NIF's), but do not report underwriting fees on notes issued by NIF's; these should instead be reported under service number 3, underwriting services. Also, do not report interest received or paid, including discounts and premiums on notes purchased or sold.

If you are a member of a loan syndicate, or of loan participations other than syndicates, report fees received and paid for organizing, managing, or participating in the operation. Do not report the sale of assets (i.e., of parts or shares in the syndicated loan), because these are not financial services. Where you have collected a fee from an unaffiliated foreign person on a loan syndication and passed through a portion of the fee to foreign syndicate members, report the total fee you received on Schedule A and report the portion of the fee you passed through on Schedule B. Borrowers under loan syndicates or loan participations other than syndicates should report payments of fees according to the country of the lead manager of the syndicate.

Report payments of credit-related fees in the accounting period in which the fee is assessed by the provider of credit-related services, whether included in expenses for that particular accounting period or amortized over several accounting periods.

If compensating balances are reflected in the cost of credit-related services, the amount that should be reported is the (net) amount received or paid for credit-related services after credit for the value of the compensating balances. That is, the value of the compensating balance to the bank, in the form of foregone interest expense, should not be reported, but, if the bank returns some portion of its savings to its customers in the form of a credit against other financial services provided, the amount to report for the other financial services provided should be the reduced charge after consideration of this credit.

**F. Credit card services (service number 6)** — All cross-border receipts and payments for credit card services should be reported, whether paid separately or in the form of a discount from face or par value.

U.S. credit card companies must report specified transactions in which they themselves engage with unaffiliated foreign persons, as well as specified transactions of their independent issuers or acquirers with foreign persons. Thus, in order to avoid duplication, their independent credit card issuers and acquirers are exempt from reporting data on these credit card services.

The major types of credit card services sold to or purchased from unaffiliated foreign persons are listed below. Total receipts and payments through the system controlled or monitored by the credit card company must be separately reported by the credit card company. Total receipts (or total payments) of credit card services are the sum of receipts (or payments) from all of these credit card services combined.

- Transaction and service fees received from or paid to foreign acquirers and issuers
- Interchange received from foreign acquirers or paid to foreign issuers
- Discount (including interchange and overhead assessments, reimbursements for telecommunication services, etc.) received from or paid to foreign acquirers and issuers
- Payments to foreign issuers, acquirers, or merchants under guarantees to protect them from losses from a default in the processing network
- Fees you received from foreign issuers for credit authorization services
- Fees you received from foreign issuers for listing lost or stolen credit card numbers in warning bulletins or on electronic files
- Resignation assessments or membership fees received from foreign issuers and acquirers
- Multi-currency conversion fees received from foreign issuers or paid to foreign acquirers, processing centers, or issuers

The issuers, acquirers, and processors themselves, rather than the credit card companies, are responsible for reporting transactions in credit card services that are conducted outside the system controlled or monitored by the credit card companies. Such transactions may include annual dues and other fees received by issuers from cardholders, payments to processors by independent issuers and acquirers, and any interchange reimbursements that do not go through the credit card system.

Do **not** report receipts or payments for credit card enhancements, such as travel insurance, extended warranties, and discounts on tour packages or other purchases.

**G. Financial advisory and custody services (service number 7)** — Covers financial advisory services on mergers and acquisitions (but excludes services where you were at risk of incurring a loss, such as underwriting services (service number 3)), investment newsletters or investment advice, commodity trading advisory services, proxy voting advisory services, custody services (including payments and settlements services such as mortgage servicing services), and other advisory and custody services provided by U.S. or foreign persons who have no discretion, or who have very limited discretion, to act independently from instructions provided by the investor or another principal.

Custodians and subcustodians are persons who manage the custody or safekeeping of securities or other financial instruments. (A subcustodian performs these services as a contractor to a custodian.) U.S.-based custodians and subcustodians who manage the custody or safekeeping of securities directly on behalf of unaffiliated foreign persons (including unaffiliated foreign-based custodians or subcustodians) should report their receipts on Schedule A; U.S.-based private label custodians and other U.S. persons should report their payments of fees to foreign global custodians on Schedule B.



## VI. SERVICES COVERED — Continued

U.S. issuers of American Depositary Receipts (ADR's) and American Depositary Shares (ADS's) should report on Schedule B their payments to unaffiliated foreign correspondent institutions for holding the securities backing the ADR's and ADS's. U.S. issuers of ADS's should also report, on Schedule A, any receipts of sponsorship fees from unaffiliated foreign persons.

Do not include fees received from or paid to a U.S. subsidiary (or U.S. affiliate) of a foreign person, because, under balance of payments conventions, these are considered U.S., not foreign, persons.

Where you do have complete (or substantially complete) discretion to act independently from instructions provided by investors or other principals, report your receipts under service number 4, financial management services. Similarly, where you are an investor or principal, and an unaffiliated foreign person has complete (or substantially complete) discretion to act independently on your behalf, report your payments under service number 4.

**H. Securities lending services (service number 8)** — U.S. securities lenders and borrowers, and their agents, should report amounts received directly from, or paid directly to, unaffiliated foreign persons, for lending or borrowing securities. Include fees received by or paid to principals or agents for arranging loan terms and conditions, monitoring the value of collateral, providing guarantees against default, and providing other securities lending services. Include rebates received or paid on "borrow versus cash transactions." Exclude amounts received from, or paid to, unaffiliated foreign persons by a U.S. or foreign agent upon the default of a customer, because such payments are not considered to be for financial services. Exclude interest under repurchase or reverse repurchase agreements, because interest is not reportable (although, as mentioned, rebates are reportable) on this form.

**I. Foreign exchange brokerage services (service number 9)** — Report explicit brokerage fees and commissions for foreign exchange brokerage services, but exclude earnings from acting as a dealer where the dealer was "at risk" of incurring losses. Thus, earnings from marking positions to market, and inherent earnings from dealer markups on buy and sell transactions (i.e., bid/ask price spreads), should not be reported. Credit card companies should report multi-currency conversion fees under service number 6, credit card services, rather than as foreign exchange brokerage services.

**J. Other financial services (service number 10)** (*Specify primary type(s) in comments section of Schedule A or B, as appropriate.*) — Include the **total** amount of fees you received from or paid to unaffiliated foreign persons for all other financial services combined, such as those listed below. Indicate the type(s) of service(s) accounting for the largest share of the data being reported in the space provided at the bottom of the schedules. Examples of services that may be reported under this category include: Asset pricing services; security exchange listing fees; demand deposit fees; securities rating services; electronic funds transfer services (include payments to SWIFT, in Belgium); check processing fees; mutual fund exit fees, load charges and 12b-1 service fees; security redemption or transfer services; ATM network services; securities or futures clearing and settling services; and brokerage services not covered above, such as for arranging joint ventures. However, do not report real estate brokerage fees (real estate services), business brokerage fees (business services), and commodity or merchandise brokerage fees (wholesale or retail trade services), because these are not considered financial services.

Note that some types of financial services are not covered on this form. See VI. of the Instructions for a list of types of financial services that should not be reported.

## VI. TYPES OF FINANCIAL SERVICES EXCLUDED FROM COVERAGE

The following types of financial services are not covered by this survey:

**A. Stock quotation and financial information services** — These are instead covered by Form BE-20 or BE-22, under data base and other information services.

**B. Insurance premiums and losses, and commissions on insurance** — These are not covered on Form BE-82, but are covered on other BEA forms. (*See IV. of these Instructions for information on whom to call regarding these forms.*) Charges at the individual policy level also are not covered by this form.

**C. Annuity purchases and payments to annuitants** — Annuity purchases and payments to annuitants are not covered by this form. Also, charges at the individual policy level, including insurance-company fees on variable annuities, are not covered by this form.

**D. Pension fund contributions and benefits** — Pension fund contributions and pension benefits are not covered by this form. However, U.S. pension funds may engage in other financial services transactions that are reportable on this form, including payments of brokerage commissions and fees for investment management or financial advisory services to unaffiliated foreign persons.

**E. Interest and dividend receipts and payments** — Under balance of payments conventions, interest and dividends are considered to be investment income rather than income from services, and are therefore not covered on this form.

**F. Premiums and other proceeds from writing (selling) options, forwards, futures, and swaps** — Premiums from writing options, and fees and other proceeds from writing forwards, futures, and swaps are not covered by this form. (However, explicit brokerage commissions on transactions in these financial instruments are covered under service number 1, brokerage, except foreign exchange brokerage services.)

**G. Earnings of principals from buying and selling (including dealing, trading, holding, or arbitrage) of financial instruments, except foreign currency exchange transactions** — Under balance of payments conventions, these types of earnings are considered to be "capital gains" (i.e., earnings that are not from current production) rather than payments for financial services, and are therefore not covered by this form. However, underwriting is considered to be a financial service, and is covered under service number 3.

**H. Foreign currency exchange transactions** — Bid/ask price spreads and trading profits on currency exchange transactions are not covered. However, explicit commissions paid to currency exchange brokers are covered under service number 9, foreign exchange brokerage services.

## VII. REPORTING PROCEDURES

- A. Due date** — A completed BE-82 is due March 31 of the calendar year following the one in which the U.S. Reporter's fiscal year ends.
- B. Extension** — BEA hopes that requests for extensions of time to report will not be necessary. Delays in filing necessarily affect BEA's already tight processing schedule for the survey. Nevertheless, requests for an extension of up to 2 weeks will be considered in hardship cases provided they are in writing (including by fax), are received by BEA at least 15 days before the due date of the report, and include substantive reasons for the extension. BEA will provide a written response to such requests.
- C. Assistance** — For assistance or additional copies of the forms, telephone (202) 606-5588 between 8:00 a.m. and 4:00 p.m., eastern time, or fax your request to (202) 606-5318.
- D. Original and file copies** — A single original copy of each required form (including Form BE-82(A) and, if appropriate, one or more Forms BE-82(B)) must be filed with BEA. Please use the copy with the address label if such a labeled copy has been provided. Companies that elect to file separate reports for their separately organized financial services subsidiaries or parts must file a separate original copy of Form BE-82(B) for each separate subsidiary or part. In addition, each U.S. Reporter must retain a copy of each report to facilitate resolution of problems; these copies should be retained by the U.S. Reporter for a period of not less than 3 years beyond the report's original due date. In order to facilitate survey processing, BEA requests that respondents assemble together and file in a single packet Form BE-82(A) and all Forms BE-82(B) for their enterprise.
- E. Where to send the report** — Reports filed by mail through the U.S. Postal Service should be sent to U.S. Department of Commerce, Bureau of Economic Analysis BE-50(SSB), Washington, DC 20230. Reports filed by direct private delivery should be directed to U.S. Department of Commerce, Bureau of Economic Analysis BE-50(SSB), Shipping and Receiving, Room M-100, 1441 L Street, N.W. Washington, DC 20005.
- F. Estimates** — If actual figures are not available, estimates should be supplied and labeled as such. When data items cannot be fully subdivided as required, totals and an estimated breakdown of the totals should be supplied.





FORM <b>BE-93</b> (REV. 9/97)		U.S. DEPARTMENT OF COMMERCE BUREAU OF ECONOMIC ANALYSIS		<b>BEA USE ONLY Control number</b> <table border="1" style="width: 100%; height: 20px;"> <tr> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table>															
<b>MANDATORY - CONFIDENTIAL</b> <b>ANNUAL SURVEY OF ROYALTIES, LICENSE FEES, AND OTHER RECEIPTS AND PAYMENTS FOR INTANGIBLE RIGHTS BETWEEN U.S. AND UNAFFILIATED FOREIGN PERSONS</b>																			
<b>MAIL REPORTS TO</b> U.S. Department of Commerce Bureau of Economic Analysis BE-50 (SSB) Washington, DC 20230		<b>1. Name and address of U.S. Reporter - Enter or correct as necessary.</b>  																	
OR																			
<b>DELIVER REPORTS TO</b> U.S. Department of Commerce Bureau of Economic Analysis, BE-50 (SSB) Shipping and Receiving Section M-100 1441 L Street, NW Washington, DC 20005																			
<b>Assistance</b> - Telephone (202) 606-5588 during office hours - 8:00 a.m. to 4:00 p.m. eastern time.					<b>Due date</b> - A completed report on Form BE-93 shall be due March 31 of the year after the U.S. Reporter's fiscal year covered by the report.														
<b>2. Annual report for fiscal year ending</b>		Month 1	Day 	Year 	<b>3. Industry classification - Enter 3-digit code from industry classification guide.</b>														
		1001			1002	1													
<b>4. Major activity of the U.S. Reporter and product or service involved in that activity</b>																			
<b>5. Primary Employer Identification (EI) Number used by the U.S. Reporter to file U.S. income or payroll taxes</b>																			
1003 1																			
<b>Part I U.S. REPORTER'S RECEIPTS FROM UNAFFILIATED FOREIGN PERSONS</b>																			
<b>REPORT IN THOUSANDS OF U.S. DOLLARS</b>																			
<b>Receipts from</b>  <b>2</b>		<b>BEA USE ONLY</b> (1) (2)		<b>Rights related to -</b>															
				Industrial processes and products (3)	Books, records, audio tapes, etc. (4)	Trademarks, etc. (5)	Performances and events pre-recorded on motion picture film and TV tape (6)	Broadcast and recording of live performances and events (7)	General use computer software (8)	Business format franchising fees (9)	Other intangibles* (See VI. of the instructions) (10)								
<b>1. All countries, total</b>		001	1	2	3	4	5	6	7	8	9	10							
2. Australia		002	1	601	2	3	4	5	6	7	8	9	10						
3. Belgium		003	1	302	2	3	4	5	6	7	8	9	10						
4. Brazil		004	1	202	2	3	4	5	6	7	8	9	10						
5. Canada		005	1	100	2	3	4	5	6	7	8	9	10						
6. France		006	1	307	2	3	4	5	6	7	8	9	10						
7. Germany		007	1	308	2	3	4	5	6	7	8	9	10						
8. Hong Kong		008	1	611	2	3	4	5	6	7	8	9	10						
9. Israel		009	1	504	2	3	4	5	6	7	8	9	10						
10. Italy		010	1	314	2	3	4	5	6	7	8	9	10						
11. Japan		011	1	614	2	3	4	5	6	7	8	9	10						
12. Luxembourg		012	1	316	2	3	4	5	6	7	8	9	10						
13. Mexico		013	1	213	2	3	4	5	6	7	8	9	10						
14. Netherlands		014	1	319	2	3	4	5	6	7	8	9	10						
15. Philippines		015	1	623	2	3	4	5	6	7	8	9	10						
16. Saudi Arabia		016	1	511	2	3	4	5	6	7	8	9	10						
17. South Korea		017	1	626	2	3	4	5	6	7	8	9	10						
18. Spain		018	1	323	2	3	4	5	6	7	8	9	10						
19. Sweden		019	1	324	2	3	4	5	6	7	8	9	10						
20. Switzerland		020	1	325	2	3	4	5	6	7	8	9	10						
21. Taiwan		021	1	628	2	3	4	5	6	7	8	9	10						
22. United Kingdom		022	1	327	2	3	4	5	6	7	8	9	10						
23. Venezuela		023	1	219	2	3	4	5	6	7	8	9	10						
Other countries with which transactions were \$50,000 or more - Specify country (Use supplemental copied sheets as necessary.)			1	2	3	4	5	6	7	8	9	10							
24.		024	1	2	3	4	5	6	7	8	9	10							
25.		025	1	2	3	4	5	6	7	8	9	10							
26.		026	1	2	3	4	5	6	7	8	9	10							
27.		027	1	2	3	4	5	6	7	8	9	10							
28.		028	1	2	3	4	5	6	7	8	9	10							
29.		029	1	2	3	4	5	6	7	8	9	10							
30.		030	1	2	3	4	5	6	7	8	9	10							
31.		031	1	2	3	4	5	6	7	8	9	10							
32. Countries with which transactions were less than \$50,000 each, total		032	1	2	3	4	5	6	7	8	9	10							
<b>BEA USE ONLY</b>		033	1	2	3	4	5	6	7	8	9	10							
*Use "Comments" section on reverse to indicate the nature of any intangible assets reported in column (10).																			



Part II U.S. REPORTER'S PAYMENTS TO UNAFFILIATED FOREIGN PERSONS										
REPORT IN THOUSANDS OF U.S. DOLLARS										
Payments to	BEA USE ONLY		Rights related to -							
	(1)	(2)	Industrial processes and products	Books, records, audio tapes, etc.	Trademarks, etc.	Performances and events pre-recorded on motion picture film and TV tape	Broadcast and recording of live performances and events	General use computer software	Business format franchising fees	Other intangibles* (See VI. of the instructions)
3	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1. All countries, total	1	2	3	4	5	6	7	8	9	10
2. Australia 002	1	2	3	4	5	6	7	8	9	10
3. Belgium 003	1	2	3	4	5	6	7	8	9	10
4. Brazil 004	1	2	3	4	5	6	7	8	9	10
5. Canada 005	1	2	3	4	5	6	7	8	9	10
6. France 006	1	2	3	4	5	6	7	8	9	10
7. Germany 007	1	2	3	4	5	6	7	8	9	10
8. Hong Kong 008	1	2	3	4	5	6	7	8	9	10
9. Israel 009	1	2	3	4	5	6	7	8	9	10
10. Italy 010	1	2	3	4	5	6	7	8	9	10
11. Japan 011	1	2	3	4	5	6	7	8	9	10
12. Luxembourg 012	1	2	3	4	5	6	7	8	9	10
13. Mexico 013	1	2	3	4	5	6	7	8	9	10
14. Netherlands 014	1	2	3	4	5	6	7	8	9	10
15. Philippines 015	1	2	3	4	5	6	7	8	9	10
16. Saudi Arabia 016	1	2	3	4	5	6	7	8	9	10
17. South Korea 017	1	2	3	4	5	6	7	8	9	10
18. Spain 018	1	2	3	4	5	6	7	8	9	10
19. Sweden 019	1	2	3	4	5	6	7	8	9	10
20. Switzerland 020	1	2	3	4	5	6	7	8	9	10
21. Taiwan 021	1	2	3	4	5	6	7	8	9	10
22. United Kingdom 022	1	2	3	4	5	6	7	8	9	10
23. Venezuela 023	1	2	3	4	5	6	7	8	9	10
Other countries with which transactions were \$50,000 or more - Specify country (Use supplemental copied sheets as necessary.)	1	2	3	4	5	6	7	8	9	10
24. 024	1	2	3	4	5	6	7	8	9	10
25. 025	1	2	3	4	5	6	7	8	9	10
26. 026	1	2	3	4	5	6	7	8	9	10
27. 027	1	2	3	4	5	6	7	8	9	10
28. 028	1	2	3	4	5	6	7	8	9	10
29. 029	1	2	3	4	5	6	7	8	9	10
30. 030	1	2	3	4	5	6	7	8	9	10
31. 031	1	2	3	4	5	6	7	8	9	10
32. Countries with which transactions were less than \$50,000 each, total 032	1	2	3	4	5	6	7	8	9	10
BEA USE ONLY 033	1	2	3	4	5	6	7	8	9	10

\*Use "Comments" section below to indicate the nature of any intangible assets reported in column (10).

Comments

**EXEMPTION CLAIM -**  
The U.S. Reporter is not reporting data on this form because it - Mark (X) in appropriate box.

1 ☐ Was not in existence at any time during the reporting period.

2 ☐ Is owned to the extent of more than 50% of its voting stock by another U.S. enterprise. Specify \_\_\_\_\_

3 ☐ Had no transactions with unaffiliated foreign persons in services covered by the survey.

4 ☐ Had transactions with unaffiliated foreign persons in services covered by this survey, but total receipts and payments were each less than \$500,000.

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP Code \_\_\_\_\_

**PERSON TO CONSULT CONCERNING QUESTIONS ABOUT THIS REPORT - Enter name and address**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**CERTIFICATION** - The undersigned official certifies that this report has been prepared in accordance with the applicable instructions, is complete, and is substantially accurate except that, in accordance with V.G. of the Instructions, estimates have been provided where data are not available from customary accounting records or precise data could not be obtained without undue burden.

Authorized official's signature \_\_\_\_\_

Print or type name and title \_\_\_\_\_ Date \_\_\_\_\_

TELEPHONE NUMBER \_\_\_\_\_ Area code \_\_\_\_\_ Number \_\_\_\_\_ Extension \_\_\_\_\_

## INSTRUCTIONS

Public reporting burden for this BE-93 report is estimated to average 4 hours per response. This burden includes time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate to Director, Bureau of Economic Analysis (BE-1), U.S. Department of Commerce, Washington, DC 20230; and to the Office of Management and Budget, Paperwork Reduction Project 0608-0017, Washington, DC 20503.

**Purpose** - Reports on this form are required in order to obtain reliable and up-to-date information on transfers of intangible assets and proprietary rights between U.S. and unaffiliated foreign persons. The information will be used to formulate U.S. policy, and to analyze the impact of that policy and the policies of foreign countries, on international trade in such assets and rights. The data will also be used in compiling the U.S. balance of payments accounts.

**Mandatory** - This survey is being conducted pursuant to the International Investment and Trade in Services Survey Act (P.L. 94-472, 90 Stat. 2059, 22 U.S.C. 3101-3108, as amended - hereinafter "the Act"), and the filing of reports is mandatory pursuant to Section 5(b)(2) of the Act (22 U.S.C. 3104).

**Penalties** - Whoever fails to report may be subject to a civil penalty of not less than \$2,500, and not more than \$25,000, and to injunctive relief commanding such person to comply, or both. Whoever willfully fails to report shall be fined not more than \$10,000 and, if an individual, may be imprisoned for not more than one year, or both. Any officer, director, employee, or agent of any corporation who knowingly participated in such violations, upon conviction, may be punished by a like fine, imprisonment, or both. (See 22 U.S.C. 3105.) Notwithstanding the above, a U.S. person is not subject to any penalty for failure to report if a valid Office of Management and Budget control number is not displayed on the form; such a number (0608-0017) is displayed on this form.

**Confidentiality** - The Act provides that your report to this Bureau is CONFIDENTIAL and may be used only for analytical or statistical purposes. Without your prior written permission, the information filed in your report CANNOT be presented in a manner that allows it to be individually identified. Your report CANNOT be used for purposes of taxation, investigation, or regulation. Copies retained in your files are immune from legal process.

### I. WHO IS TO REPORT AND GENERAL COVERAGE

**A. Who Must Report** - Reports on Form BE-93 are required from U.S. persons who have entered into agreements with unaffiliated foreign persons to buy, sell, or use intangible assets or proprietary rights. (See, however, exceptions and qualifications listed under **What Not to Report**, below.)

**B. Exemption** - A U.S. person otherwise required to report is exempt if total receipts and total payments of the types covered by this form are each less than \$500,000 in the reporting year. A person that receives this form and is exempt must either complete the **Exemption Claim** or report the data on the form. If the total of either covered receipts or payments is \$500,000 or more in the reporting year, a report must be filed.

### II. WHAT TO REPORT

**A.** Report all receipts and payments accrued during the reporting period for the use, sale, or purchase of intangible assets or proprietary rights. Report all amounts net of withholding taxes or other deductions.

**B.** Report all covered transactions to which you have assigned a value, irrespective of whether the actual amount received or paid was in terms of money, goods, services, or other intangible assets or rights (e.g., exchanges of patent rights).

**C.** Report receipts from and payments to foreigners made by your foreign affiliates **for your account**.

**D.** Report receipts from and payments to U.S. affiliates of foreign firms **for the account of their foreign parent firm**.

**E.** The specific types of transactions to be reported are listed below in VI., **Specific Item or Column Instructions**.

### III. WHAT NOT TO REPORT

**A.** Do **not** report your receipts from or payments to U.S. affiliates of foreign firms for their own account.

**B.** Do **not** report receipts from or payments to your foreign affiliates or your foreign parent. Information on your transactions with such affiliated firms is collected on Forms BE-577 and BE-605, which may be obtained from this office. Reports on these forms are mandatory. For copies of Form BE-577, call (202) 606-5566, and, for copies of Form BE-605, call (202) 606-5577.

**C.** Do **not** report receipts from or payments to foreigners made by your foreign affiliates **for their own account**.

**D.** Do **not** report fees or commissions in connection with the sale of commodities.

**E.** Do **not** report fees and other receipts or payments arising from contracts to perform services abroad not in connection with the transfer or use of intangible assets or rights. Generally, these transactions should be reported on Form BE-20, BE-22, or BE-47, copies of which may be obtained by calling this office at (202) 606-5588.

**F.** Do **not** report oil royalties and other natural resources (mining) royalties. These data should be reported on Form BE-20 or BE-22.

**G.** Do **not** report fees for professional, administrative, and management services. Such fees should be reported on Form BE-20, BE-22, or BE-47.

**H.** Do **not** report receipts or payments for the use of tangible property, including payments made or received under either financial or operating leases. Rentals of computers should be reported on Form BE-20 or BE-22.

### IV. DEFINITIONS

**A. U.S. Reporter** is the U.S. person filing a report in this survey. (If the U.S. person is an incorporated business enterprise, the U.S. Reporter is the fully consolidated U.S. domestic enterprise consisting of the U.S. parent corporation which is not owned to the extent of more than 50 percent of its voting stock by another U.S. corporation and all other domestic corporations in which the parent corporation directly or indirectly owns over 50 percent of the outstanding voting stock.)

**B. United States**, when used in a geographic sense, means the several States, the District of Columbia, the Commonwealth of Puerto Rico, and all the territories and possessions of the United States.

**C. Foreign**, when used in a geographic sense, means that which is situated outside the United States or which belongs to or is characteristic of a country other than the United States.

**D. Person** means any individual, branch, partnership, associated group, association, estate, trust, corporation, or other organization (whether or not organized under the laws of any State), and any government (including a foreign government, the United States Government, a State or local government, and any agency, corporation, financial institution, or other entity or instrumentality thereof, including a government sponsored agency).

**1. United States person** means any person resident in the United States or subject to the jurisdiction of the United States.

**2. Foreign person** means any person resident outside the United States or subject to the jurisdiction of a country other than the United States.

**E. Business enterprise** means any organization, association, branch or venture which exists for profitmaking purposes or to otherwise secure economic advantage, and any ownership of any real estate. (A business enterprise is a "person" within the definition in paragraph D above.)

**F. Direct investment** means the ownership or control, directly or indirectly, by one person of 10 per centum or more of the voting stock of an incorporated business enterprise, or an equivalent ownership interest in an unincorporated business enterprise.

**G. Parent** means a person of one country who, directly or indirectly, owns or controls 10 per centum or more of the voting stock of an incorporated business enterprise or an equivalent ownership interest in an unincorporated business enterprise, which is located outside that country.

**1. U.S. parent** means the U.S. person that has direct investment in a foreign business enterprise.

**2. Foreign parent** means the foreign person, or the first person outside the United States in a foreign chain of ownership, which has direct investment in a U.S. business enterprise, including a branch.

**H. Affiliated foreign group** means (i) the foreign parent, (ii) any foreign person, proceeding up the foreign parent's ownership chain, which owns more than 50 per centum of the person below it up to and including that person which is not owned more than 50 per centum by another foreign person, and (iii) any foreign person, proceeding down the ownership chain(s) of each of these members, which is owned more than 50 per centum by the person above it.

**I. Affiliate** means a business enterprise located in one country which is directly or indirectly owned or controlled by a person of another country to the extent of 10 per centum or more of its voting stock for an incorporated business or an equivalent interest for an unincorporated business, including a branch.

**1. Foreign affiliate** means an affiliate located outside the United States in which a U.S. person has direct investment.

**2. U.S. affiliate** means an affiliate located in the United States in which a foreign person has direct investment.

**J. Affiliated foreign person** means, with respect to a given U.S. person, (i) a foreign affiliate of which the U.S. person is a U.S. parent, or (ii) the foreign parent or other member of the affiliated foreign group of which the U.S. person is a U.S. affiliate.

**K. Unaffiliated foreign person** means, with respect to a given U.S. person, any foreign person that is not an affiliated foreign person as defined in paragraph J above.

**L. Fiscal year** is the financial reporting year that has an ending date in a given calendar year. For example, fiscal year 19X1 is the U.S. Reporter's financial reporting year that has an ending date in calendar year 19X1. For a person that does not have a financial reporting year, its fiscal year is deemed to be the same as the calendar year.

**M. Country** means the country of location of the foreign person with whom a transaction has occurred.

### V. REPORTING PROCEDURES

**A. Reporting period** - Form BE-93 is an annual report; one report is to be filed for each fiscal year of the U.S. Reporter. The Reporter's fiscal year is its financial reporting year that has an ending date in a given calendar year. (See **Definitions**, IV.L.)

**B. Due date** - Reports are due March 31 of the year after the U.S. Reporter's fiscal year covered by the report.

**C. Extension** - Requests for an extension of the reporting deadline will not normally be granted. However, in a hardship case, a written request for an extension will be considered provided it is received at least 15 days before the due date and enumerates substantive reasons necessitating the extension. BEA will provide a written response to such a request.

**D. For assistance or additional copies of the forms** - Phone (202) 606-5588 between 8:00 a.m. and 4:00 p.m. eastern time.

**E. Response required** - If you received this form directly from BEA, a response is required, by either reporting data or completing the Exemption Claim, and by completing the "Person to Consult" and "Certification" sections of the form and returning the form to BEA.



## V. REPORTING PROCEDURES - Continued

- F. Rounding** - Currency amounts should be reported in U.S. dollars rounded to thousands (omitting 000). For example, if the amount is \$1,334,515.00, report it as \$1,335.
- G. Estimates** - If actual figures are not available, estimates should be supplied and labeled as such. When data items cannot be fully subdivided as required, totals and an estimated breakdown of the totals should be supplied.
- H. Original and file copies** - A single original copy of the form must be filed with BEA. Please use the copy with the address label if such a labeled copy has been provided. In addition, each U.S. Reporter must retain a copy of its report for three years to facilitate resolution of problems.

## VI. SPECIFIC ITEM OR COLUMN INSTRUCTIONS

**Item (2)** - Enter ending date for your fiscal year.

**Item (3), Industry classification** - Enter the 3-digit ISI code, from the **Summary of Industry Classifications**, which best covers the activity of your company. For an incorporated entity, this should be the industry code for the fully consolidated U.S. domestic enterprise (see **Definitions, IV.A.**), and not just the part or subsidiary receiving or paying the royalty or fee.

**Item (4)** - State the major activity and product or service in which your firm is involved. For example, "manufacturing - food products."

**Parts I and II** - Report U.S. Reporter's receipts from unaffiliated foreign persons in Part I, and report U.S. Reporter's payments to unaffiliated foreign persons in Part II. All amounts should be reported net of withholding taxes.

Report data opposite country from which royalties and fees were received or to which payments were made; if you had transactions with a country not in the preprinted list, enter the name of the country on one of the blank lines below the preprinted list and give data. Transactions of less than \$50,000 for any single country do not have to be reported by country, but should be included in the "all countries" total in line 1 and also in line 32 for each item.

**Column (3), Industrial processes and products** - Include license fees, royalties, and other fees received or paid for the use, sale, or purchase of intangible assets, including patents, trade secrets, and other proprietary rights, that are used in connection with, or related to, the production of goods. (For example, include "maintenance" fees paid to foreign governments for the continuation of patent rights.) If the charge for the process, design, etc., is subsumed in a contract for technical or professional services, the receipt or payment generally should be reported on Form BE-20, BE-22, or BE-47.

**Column (4), Books, records, audio tapes, etc.** - Include royalties and other fees received or paid for the rights to perform, broadcast, reproduce, and sell as books, records, audio tapes, etc., or otherwise use copyrighted material and other intellectual property. Exclude fees for the rights to display, reproduce, or distribute pre-recorded television tape or motion picture film; such charges should be reported separately in column (6). Exclude fees for rights related to computer software; such charges should be reported on column (8) on this form.

**Column (5), Trademarks, etc.** - Include receipts and payments for the rights to sell products under a particular trademark, brand name, or signature. A sponsor of an international sporting event, such as the Olympics, should include payments of sponsorship fees if the right to use a trademark, such as the Olympics logo, in advertising, or to place such a trademark on merchandise, is conveyed. Exclude fees received or paid under a business format franchise (which are reportable under column (9)).

**Column (6), Performances and events pre-recorded on motion picture film and TV tape** - Include royalties, rentals, license fees, and other funds received or paid, including those from outright sales and purchases, for the rights to display, reproduce, or distribute material pre-recorded on motion picture film or television tape. Include payments and receipts for all uses, including theatrical, cable, broadcast television, and non-theatrical.

**Column (7), Broadcast and recording of live performances and events** - Include receipts and payments for rights to record and/or broadcast "live" artistic performances, sports events, and other live performances or events. Payments (or receipts) for the acquisition (or sale) of rights to broadcast a major live performance or event, such as the Olympics, often extend over several years prior to the event. The cumulative amount of payments over all years is to be reported on this form as an acquisition or sale of broadcast rights only in the single year in which the event is actually held. The prior-year payments are considered to be deposits with the organization (such as the International Olympic Committee) selling the broadcast rights, and should be reported on the Department of Treasury's TIC C-form. Inquiries about the TIC C-form survey should be directed to the Federal Reserve Bank of New York (as contractor for the Treasury Department) at (212) 720-8243.

**Column (8), General use computer software** - Include receipts and payments for the rights to distribute general use software, and rights to reproduce or use general use computer software that was electronically transmitted or made from a master copy. This item includes negotiated licensing fees for reproducing copies of general use software for local area network computer systems, and excludes the value of prepackaged general use software that was physically shipped to or from the United States and included in merchandise trade statistics. Exclude fees for custom software and programming services, which should be reported on Form BE-20 or BE-22.

**Column (9), Business format franchising fees** - Fees received and paid by the U.S. Reporter under business format franchising agreements with unaffiliated foreign persons. Business format franchising is characterized by an ongoing business relationship between franchisor and franchisee that includes not only the product, service, and trademark, but the entire business format itself. This may include a marketing strategy and plan, operating manuals and standards, quality control, and continuing two-way communications. Exclude receipts and payments for the use of trademarks (reportable under column (5)), except where such trademarks are part of a business format franchise, even if the fees are nominally considered to be "franchising" fees.

Receipts and payments should be reported net of advertising allowances and other deductions retained by franchisees from gross franchise fees. Include receipts and payments for one-time "up front" charges to new franchisees as well as ongoing fees based upon sales or other measures.

In Part I, U.S. franchisors should report receipts from both unaffiliated foreign outlets and foreign master licensees (i.e., those in which you do not have a 10-percent-or-more equity interest). In the case of fees received from a foreign master licensee, report only the net fees received from the licensee, not the gross fees received by the licensee from foreign outlets. Exclude fees received by your foreign affiliates as franchisors. Also exclude receipts from "company-owned" outlets abroad, as such outlets are considered foreign affiliates rather than unaffiliated foreign persons; such receipts should be reported in BEA's direct investment survey of transactions between U.S. parents and foreign affiliates (Form BE-577) and not here. Include receipts from jointly owned outlets only if the U.S. Reporter's equity interest is below that required for the entity to qualify as a foreign affiliate.

In Part II, U.S. outlets and master licensees should report payments made directly to unaffiliated foreign franchisors. U.S. outlets should not report payments to U.S. master licensees, as these are domestic (U.S.-to-U.S.) transactions. Do not report payments that are to a U.S. company, rather than directly to an unaffiliated foreign person. Payments by a "company-owned" U.S. outlet to a foreign owner should be reported in BEA's direct investment survey of transactions between U.S. affiliates and foreign parents (Form BE-605) and not here.

**Column (10), Other intangibles** - Include receipts and payments not classified in one of the preceding categories. Include receipts or payments by communications carriers to secure capacity by indefeasible right of users (IRU's). For entries in this column, please specify in the "Comments" section the type of intangible right involved.

# Surveys of Transportation Services

The Bureau of Economic Analysis conducts four surveys of transactions in transportation services: The survey of expenses incurred by foreign ocean carriers in the United States, the survey of ocean freight revenues and foreign expenses of U.S. carriers, the survey of U.S. revenues and expenses of foreign airlines, and the survey of foreign revenues and expenses of U.S. airlines.

## *Survey of U.S. expenses of foreign ocean carriers*

The annual survey Foreign Ocean Carriers' Expenses in the United States (BE-29) covers the expenses incurred by foreign carriers in U.S. ports.

Foreign carriers consist of those that own and operate vessels and those that operate chartered U.S.-flag and foreign-flag vessels. These carriers include foreign affiliates of U.S. companies that operate vessels for their own accounts.

U.S. agents act on behalf of the foreign carriers that operate in U.S. ports. These agents, such as steamship agents and others, arrange for the transportation of freight between U.S. ports and foreign ports, and they provide and arrange for port services for these carriers at the U.S. ports.

All U.S. agents who handle 40 or more port calls by foreign vessels or that have total expenses of \$250,000 or more in the calendar year are required to report in the survey.

The survey for 1996 was sent to 220 agents; 115 agents were required to report.<sup>1</sup> On the basis of the shipping weights reported in the survey, it is estimated that the survey covers about 15 percent of all the exports and imports handled by foreign carriers.<sup>2</sup>

1. The surveys are sent to agents who have previously filed a report and to agents who have not previously filed but who are believed likely to have transactions in the covered services. The mailing list is derived from information from Government sources, industry associations, business directories, and various periodicals.

2. The data collected are used to develop average expenses, which are then multiplied by estimates of volume to obtain estimates of values.

## **Transactions covered**

This survey collects data on expenses for port call services, for cargo handling services, for fuel, and for other operations.<sup>3</sup> In addition, the survey collects data on the shipping weight of cargo for which the expenses are reported.<sup>4</sup>

**Port call expenses** include payments for pilotage, for towing and tugboat services, for lines, for surveys and other documentation, for harbor fees and for berth fees.

**Cargo expenses** are payments for loading, unloading, and storing cargo at U.S. ports. These expenses include payments for stevedoring cargo, bulk cargo, and container barges, for lighterage, for container and barge rentals, and for warehouse and terminal rentals.

**Fuel expenses** are payments for fuel and oil purchased in U.S. ports. Expenses for fuel and oil purchased in foreign ports are excluded even if the expenses are paid to U.S. companies.

**Other vessel expenses** are other operating expenses that include payments for stores and supplies and for vessel repairs and personnel expenses in U.S. ports.

**Other expenses** are other U.S. expenses for U.S. operations. These expenses include U.S. agents' and brokers' fees and commissions and expenses—such as rent, advertising, and wages—for maintaining U.S. offices.

## **Preparing the estimates**

Estimates of total expenses of foreign ocean carriers in U.S. ports are based on data collected in the survey.

Estimates of total expenses are calculated by multiplying, for each type of port expense, the average expenses per ton of freight by the shipping weight of the total U.S. exported and imported freight handled by the foreign carriers and then summing the results.

Estimates of the average expenses are developed from the data reported for each type of port expense. The estimate of the shipping weight of the freight is based on

3. This survey excludes expenses for insurance for cargoes and vessels, for leasing vessels, and for capital transfers, such as mortgage payments, and for depreciation and payments for equipment and supplies for which Shippers Export Declarations were filed with the U.S. Customs Service.

4. The total shipping weight of both exported and imported cargo is reported in long tons (2,240 pounds).



U.S. Bureau of the Census data on exported and imported freight carried on foreign-flag vessels.

### *Survey of revenues and foreign expenses of U.S. ocean carriers*

The quarterly survey Freight Revenues and Foreign Expenses of United States Carriers (BE-30) covers transactions of U.S. ocean carriers that transport cargo between U.S. and foreign ports and between foreign ports. Specifically, this survey covers revenues from the transportation of U.S. exports and imports, revenues from the transportation of cross-trade cargo between foreign ports, expenses incurred by U.S. ocean carriers in foreign countries, and charter-hire and space-leasing transactions with foreign residents.<sup>5</sup>

The survey covers revenues and expenses of all U.S. ocean carriers that own and operate U.S.-flag vessels and that operate foreign-flag vessels.

All U.S. ocean carriers that have or that expect to have covered annual revenues or expenses of \$500,000 or more in the calendar year are required to report in the survey.<sup>6</sup>

The quarterly surveys for 1996 were sent to 38 U.S. carriers; 29 were required to report.<sup>7</sup>

#### **Transactions covered**

This survey covers the following transactions in transportation services provided by U.S. carriers: Revenues from transporting U.S. exports, U.S. imports, and cross-trade cargo; revenues from charters and space leased by affiliated and unaffiliated foreigners; expenses for charters and space leased on foreign vessels by U.S. carriers; and expenses incurred by U.S. carriers in foreign ports. In addition, the survey collects data on the shipping weight of U.S. exports (outbound cargo) and of U.S. imports (inbound cargo) for which revenues are reported.<sup>8</sup>

**Revenue on cargo outbound from U.S. ports** is revenue from transporting U.S. exports, and it includes revenue from charters (both collect and prepaid and net

of any special discounts allowed the shippers) and from in-transit or transshipment cargoes.<sup>9</sup>

**Revenue on cross-trade cargoes** is revenue from transporting cargo from one foreign port to another, and it includes revenue from charters, inbound cargo that is in transit through the United States and revenue from transshipment cargo.<sup>10</sup>

**Charter hire and space leasing paid to foreign residents** consists of payments to foreign residents for chartered vessels that are operated by U.S. carriers and payments for space leased on foreign operated vessels. These payments include payments made abroad and in the United States to foreign affiliates of U.S. companies.

**Charter hire and space leasing received from foreign residents** consists of revenues received from foreign residents for vessels chartered and operated by them and revenues for space leased to foreign residents. These revenues include revenues from foreign affiliates of U.S. companies.

**Expenses in foreign countries** are the expenses that were incurred abroad by U.S. carriers and that were paid in the countries or in the United States. The following port expenses are covered: Fuel, stores, repairs, stevedoring, harbor fees, and agents' commissions; canal tolls and fees; and wages and salaries for crew members.<sup>11</sup> These expenses include expenses incurred in the transportation of cargoes for the U.S. Department of Defense.

**Revenue on cargo inbound into the United States** is revenue from transporting U.S. imports, and it includes revenues from charters and from in-transit or transshipment cargoes that cannot be separated and reported in revenue on cross-trade cargoes.

#### **Preparing the estimates**

Estimates of total revenues and total expenses of U.S. ocean carriers for transporting U.S. exports and imports are based on the data reported in the survey.

For charter hire and for revenue from transporting cross-trade cargoes, about 90 percent of the revised estimate is based on data from the survey. An estimate for missing reports is extrapolated from the late reporters' transactions in the previous quarter on the basis of recent trends.

Estimates of revenues from transporting U.S. imports and exports and for foreign expenses are based on an ex-

5. The leasing of transportation equipment is also covered by the newly added category for operational-leasing services in the surveys of selected services. As of the publication date of this guide, BEA was reviewing the information on leasing of transportation equipment reported on its surveys in order to develop guidelines to eliminate the duplication.

6. The expenses may be reported in the quarter when they are entered in the books of the U.S. office rather than in the quarter when they were incurred.

7. The surveys are sent to carriers who have previously filed a report and to carriers who have not previously filed but who are believed likely to have transactions in the covered services. The mailing list is derived from information from the Government sources, industry associations, business directories, and various periodicals.

8. The total shipping weight of both exported and imported cargo is reported in long tons (2,240 pounds).

9. These revenues exclude revenues from transporting cargoes for the U.S. Department of Defense (which are customarily shipped under a military bill of lading or space charter).

10. This revenue excludes revenue from shipping cargo for the U.S. Department of Defense.

11. These expenses exclude the premiums on insurance for hulls and machinery and for protection and indemnity and on other insurance that are paid by the U.S. carrier or through the domestic agent to foreign insurers.

pansion of the data reported in the survey. In 1996, these surveys covered 60 percent of all cargo transported by resident carriers. The data are expanded to cover all cargo by using the product of the ratio of the shipping weight of cargo transported by all U.S. carriers reported by the U.S. Bureau of the Census and the shipping weight reported on the survey by the revenues and expenses reported on the survey.

### ***Survey of U.S. revenues and expenses of foreign airlines***

The annual survey Foreign Airline Operators' Revenues and Expenses in the United States (BE-36) covers the transactions of foreign airline operators that transport passengers and freight to or from the United States. Specifically, this survey covers the expenses incurred by foreign airline operators in the United States and the revenues of foreign airline operators from transporting freight to and from the United States.

All U.S. offices, agents, or other representatives of foreign airlines that have annual revenues or expenses of \$500,000 or more are required to report.

The survey for 1996 was sent to 90 representatives of foreign airlines; 60 were required to report.<sup>12</sup>

#### **Transactions covered**

This survey covers the following transactions of foreign airlines: Revenues from the transportation of U.S. exports and imports; expenses incurred in the United States from transporting passengers and freight between the United States and foreign countries; and expenses of leasing aircraft.<sup>13</sup> In addition, the survey collects data on the shipping weight (in pounds) of U.S. exports and imports for which the freight revenues are reported.

**Freight revenue on merchandise exported from and imported into the United States** is the revenue from transporting freight to and from the United States.

**Expenses incurred in the United States** are the expenses incurred in U.S. airports from transporting freight and passengers to and from the United States. The following expenses are covered: Fuel and oil, wages and salaries paid to employees in the United States, agents'

and brokers' fees and commissions for arranging the transportation of freight and passengers, aircraft-handling and terminal services, and all other expenses.

Aircraft-handling and terminal services include expenses for aircraft repair, maintenance, storage, and cleaning; handling services for freight and passengers; and other airport terminal services.

All other expenses include port and landing fees, aircraft modification and factory-type aircraft overhauls, and the costs of operating airline ticket offices and of operating freight and passenger facilities in the United States.<sup>14</sup> These costs should cover, for example, catering, crew expenses (hotel and per diem expenses), rent, utilities, legal fees, and telephone and other communications equipment.

**Aircraft-leasing expenses** are expenses for aircraft that are leased from U.S. persons and include the rental expenses for operating the leases.<sup>15</sup>

#### **Preparing the estimates**

Estimates of total revenues of foreign airlines for transporting U.S. exports and imports and of total U.S. expenses of foreign airlines are based on data from the survey. They include an estimate for missing reports and an estimate for transactions of airlines that are exempt from reporting.

The estimate for missing reports is extrapolated from the late reporters' transactions in the previous year on the basis of recent trends.

The estimate for transactions of exempt airlines is derived from a comparison of the shipping weight of the cargo reported in the survey with the total shipping weight of the U.S. cargo handled by all foreign airlines from the U.S. Bureau of the Census. The estimates of total transactions are calculated as the ratio of the total shipping weight to the reported shipping weight multiplied by the reported transactions.

In the first revision of the estimate, about 85 percent of both revenues and expenses are based on reported transactions. The estimates for exempt transactions and for missing reports account for the remaining 15 percent.

12. The surveys are sent to representatives of foreign airlines that have previously filed a report and to airlines that have not previously filed but which are believed likely to have transactions in the covered services. The mailing list is derived from information from Government sources, industry associations, business directories, and various periodicals.

13. The leasing of transportation equipment is also covered by the newly added category for operational-leasing services in the surveys of selected services. As of the publication date of this guide, BEA was reviewing the information on leasing of transportation equipment reported on its surveys in order to develop guidelines to eliminate the duplication.

14. These expenses exclude expenditures abroad for which payments are made in the United States; for example, payments to U.S. petroleum companies for aircraft fuel in foreign countries are excluded. These expenses also exclude administrative expenses charged to U.S. operations; capital charges and transfers, such as mortgage payments; depreciation on aircraft and ground equipment; and payments for U.S. exports, such as the exports of aircrafts and aircraft parts, for which Shippers Export Declarations were filed.

15. These expenses exclude transactions related to capital leases.



### *Survey of U.S. airlines' foreign revenues and expenses*

The quarterly survey U.S. Airline Operators' Foreign Revenues and Expenses (BE-37) covers the international transactions of U.S. airline operators. These transactions consist of revenues from transporting U.S. exports and from transporting freight and passengers between foreign points, expenses incurred by U.S. airline operators in foreign countries, and interline settlements with foreign airlines.

All U.S. airline operators that have or that expect to have annual foreign revenues and expenses of \$500,000 or more are required to report. The quarterly surveys for 1996 were sent to 24 U.S. airlines; 20 were required to report.<sup>16</sup>

#### **Transactions covered**

This survey covers the following transactions: Revenue from the carriage of exports from the United States to points outside the United States; revenue derived from the carriage of exports originating from, and destined to, points outside the United States; expenses incurred outside the United States; aircraft-leasing expenses;<sup>17</sup> revenue derived from carriage of passengers originating from, and destined to, points outside the United States; and interline settlements.

**Revenue derived from the carriage of exports from the United States to points outside the United States** is the revenue from transporting U.S. exports, and it includes revenue from charter contracts.

**Revenue derived from the carriage of exports originating from, and destined to, points outside the United States** is the revenue from transporting freight between foreign countries. **Revenue derived from carriage of passengers originating from, and destined to, points outside the United States** consists of the revenue from purchases of tickets for trips between foreign cities and countries.

**Interline settlements** consist of revenues from foreign airline operators for transporting passengers and payments to foreign airline operators for transporting passengers.

16. The surveys are sent to U.S. airlines that have previously filed a report and to airlines that have not previously filed but which are believed likely to have transactions in the covered services. The mailing list is derived from information from Government sources, industry associations, business directories, and various periodicals.

17. The leasing of transportation equipment is also covered by the newly added category for operational-leasing services in the surveys of selected services. As of the publication date of this guide, BEA was reviewing the information on leasing of transportation equipment reported on its surveys in order to develop guidelines to eliminate the duplication.

**Expenses incurred outside the United States** are expenses incurred in foreign airports from transporting freight and passengers outside the United States.<sup>18</sup> The following expenses are covered: Fuel and oil expenditures, wages and salaries paid to employees in foreign countries, agents' and brokers' fees and commissions for the arrangement of freight and passenger transportation, expenditures for aircraft-handling and terminal services, and all other expenses.

Aircraft-handling and terminal services include expenses for aircraft repair, maintenance, storage, and cleaning; handling services for freight and passengers; and other airport terminal services.

All other expenses include port and landing fees, aircraft modification and factory-type aircraft overhauls, and the costs of operating headquarters, divisional offices, airline ticket offices, and freight and passenger facilities in foreign countries. These costs should cover, for example, catering, crew expenses (hotel and per diem), rent, utilities, legal fees, and telephone and other communications equipment.

**Aircraft-leasing expenses** are expenses of aircraft that are leased from foreign persons and include rental expenses for operating leases.<sup>19</sup>

#### **Preparing the estimates**

The following estimates are prepared: The estimate of the total revenues from transporting U.S. exports, the estimate of the total revenues from transporting freight and passengers between foreign cities, the estimate of the total foreign expenses of U.S. airline operators, and the estimate of the interline settlements.

The estimates consist of reported transactions, an estimate for missing reports, and an estimate for transactions of exempt airlines.

The estimate for missing reports is extrapolated from the late reporters' transactions in the previous quarter on the basis of recent trends. The estimate for transactions of exempt airlines is based on a comparison of the export tonnage of U.S. airlines that report in the survey with the export tonnage transported by all U.S. airlines; the data on tonnage are from the U.S. Bureau of the Census.

About 95 percent of the estimates of both revenues and expenses are based on data collected in the surveys. The estimates for exempt transactions and for missing reports account for the remaining 5 percent.

18. These expenses include expenditures abroad for which payments are made in the United States; for example, payments to U.S. petroleum companies for fuel for aircraft in foreign countries are included.

19. These expenses exclude transactions related to capital leases.

## **APPENDIX**

Foreign Ocean Carriers' Expenses in the United States (BE-29)

Ocean Freight Revenues and Foreign Expenses of United States Carriers (BE-30)

Foreign Airline Operators' Revenues and Expenses in the United States (BE-36)

U.S. Airline Operators' Foreign Revenues and Expenses (BE-37)





FORM **BE-29**  
(REV. 1/99)U.S. DEPARTMENT OF COMMERCE  
BUREAU OF ECONOMIC ANALYSIS**A. Name and address of reporter (U.S. agent)****MANDATORY—CONFIDENTIAL****FOREIGN OCEAN CARRIERS'  
EXPENSES IN THE UNITED STATES  
(TO BE REPORTED BY FOREIGN  
CARRIERS' U.S. AGENTS)****RETURN  
REPORTS  
TO**U.S. Department of Commerce  
Bureau of Economic Analysis  
Balance of Payments Division (BE-58)  
Washington, DC 20230**B. Name and address of foreign carrier for whom U.S. agent is reporting****C. Nationality of foreign carrier****D. Period covered by this report****SEE INSTRUCTIONS ON REVERSE**

Item No.	Item	EXPENSES — Report in thousands of U.S. dollars			
		Liner (including passenger/cruise) (a)	Tramp (dry bulk) (b)	Tanker (liquid bulk) (c)	TOTAL (d)
1	Port call expenses	\$	\$	\$	\$
2	Cargo expenses	\$	\$	\$	\$
3	Fuel expenses	\$	\$	\$	\$
4	Other vessel expenses	\$	\$	\$	\$
5	Other expenses	\$	\$	\$	\$
6	Total expenses	\$	\$	\$	\$
7	Shipping weights of cargo handled — Report weight in thousands of long tons.				

**AUTHORITY** — This survey is being conducted pursuant to the International Investment and Trade in Services Survey Act, Pub. Law No. 472, 94th Congress, 90 Stat. 20259, 22 U.S.C. 3101 through 3108, as amended by Pub. Law 98-573 (hereinafter "the Act").

The filing of reports for this survey is MANDATORY under Section 5(b)(2) of the Act.

This survey has been approved by the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. 3501, et seq.).

Notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information that is subject to the Paperwork Reduction Act if: 1) the collection of information does not display a valid control number; or 2) the agency fails to inform the respondent that such person is not required to respond to the collection of information unless it displays a valid control number. The protection provided by this provision may be raised in the form of a complete defense, bar, or otherwise at any time during

the agency administrative process or judicial action applicable thereto. The control number can be found at the top of the form.

**CONFIDENTIALITY** — The Act provides that your report to this Bureau is CONFIDENTIAL and may be used only for analytical or statistical purposes. Without your prior written permission, the information filed in your report CANNOT be presented in a manner that allows it to be individually identified. Your report CANNOT be used for purposes of taxation, investigation, or regulation. Copies retained in your files are immune from legal process.

**PENALTIES** — Whoever fails to report may be subject to a civil penalty not exceeding \$10,000 and to injunctive relief commanding such person to comply, or both. Whoever willfully fails to report shall be fined not more than \$10,000 and, if an individual, may be imprisoned for not more than one year, or both. Any officer, director, employee, or agent of any corporation who knowingly participates in such violations, upon conviction, may be punished by a fine, imprisonment, or both. (See Section 6 of the Act, 22 U.S.C. 3105.)

PERSON TO CONSULT  
CONCERNING  
QUESTIONS  
ABOUT THIS REPORT  
Enter name and address

**TELEPHONE NUMBER**

Area Code    Number    Extension

**CERTIFICATION**

The undersigned official executing this certification on behalf of the respondent company hereby certifies that the information contained in this report is correct and complete to the best of his knowledge and belief.

Authorized official's signature

Title

Date



Public reporting burden for this collection of information is estimated to average 4 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Director, Bureau of Economic Analysis (BE-1), U.S. Department of Commerce, Washington, DC 20230; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

## GENERAL INSTRUCTIONS

**Purpose of the report** — Reports are required to obtain data for estimating the international transactions accounts of the United States.

**Who must report** — Reports are required from U.S. agents on behalf of foreign ocean carriers. U.S. agents are steamship agents and other persons representing foreign carriers in arranging ocean transportation between U.S. and foreign ports and in arranging for port services in the United States. U.S. agents must report all relevant transactions of which they have knowledge. They must report information on port services provided or obtained by them for foreign carriers. They must also report, to the extent of their knowledge, information on port services provided by third persons. For example, agents who approve invoices for payment by foreign carriers for port services provided by third persons should include that information in preparing this report.

Any omission of data should be explained briefly (e.g., no access to this information; services not purchased by foreign carrier, etc.) and, if known, where or from whom the information may be obtained. Any information as to where this data may be obtained would be helpful.

Foreign carriers must report expenses for services not reported or provided by U.S. agents.

Carriers are owners or operators of dry cargo, passenger (including cruise and combination) and tanker vessels calling at U. S. ports. The term carriers also includes VLCC tankers discharging petroleum offshore destined for U. S. ports. Foreign carriers are those whose residence is outside the United States.

Foreign carriers include those who own or operate their own or chartered (United States or foreign-flag) vessels. They also include foreign subsidiaries of U.S. companies operating their own or chartered vessels as carriers for their own accounts. Where the vessels under foreign registry are operated directly by a U.S. carrier for its own account, the operation of such vessels should be reported on Form BE-30, Ocean Freight Revenues and Expenses of U.S. Carriers.

**What must be reported — For liner services, including cruise vessels.** — Each U.S. agent must report the port expenses of all liner carriers that the U.S. agent represents. Include all the vessels of that carrier calling at U.S. ports. If the agent represents the carrier in more than one U.S. port, then a consolidated report should be filed.

Otherwise, please advise us which port(s) you are filing for. The types of expenses to be reported are included under specific instructions. A separate form should be used for each carrier.

**For tramp and tanker services (dry or liquid bulk) — Report the expenses of 10 separate port calls for these services.** The expenses of the port calls selected should be representative of the type of service, size and nationality of vessel that you handle. Select the port calls for which you have the most information. It is not necessary to include the expenses of the same vessel making more than one port call in the given calendar year. A separate form should be used for each port call.

**Exemption** — A U.S. person otherwise required to report is exempted from reporting if the total number of port calls by foreign vessels handled in the reporting period is less than 40 or total covered expenses are less than \$250,000. For example, if an agent handled less than 40 port calls in a calendar year, the agent is exempted from reporting. If the agent handled 40 or more calls, the agent must report unless covered expenses for all foreign carriers handled by the agent were less than \$250,000. The determination of whether a U.S. person is exempt may be based on the judgment of knowledgeable persons who can identify reportable transactions without conducting a detailed manual records search.

**How to report** — Use this form to report information in accordance with instructions and definitions given here. Report expenses in thousands of dollars and shipping weights in thousands of long tons (2,240 pounds).

**Where to send report** — Return reports to U.S. Department of Commerce, Bureau of Economic Analysis, Balance of Payments Division (BE-58), Washington, DC 20230.

**Frequency** — A report must be filled for each calendar year within 90 days after the end of the year.

**Assistance** — Telephone (202) 606-9589 or (202) 606-9559 during office hours — 9:00 a.m. to 5:00 p.m.

**United States** — Includes mainland United States, Alaska, Hawaii, Puerto Rico, and U.S. possessions and territories.

**Foreign countries** — Include all areas outside the United States as defined above.

## SPECIFIC INSTRUCTIONS

**Nationality of carrier** — Report the foreign carrier's name and country of residence, i.e., the country in which the home office or principal place of business is located. This may differ from the country of registration, or flag, of the vessels operated. A separate report is required for each carrier.

### Types of service:

**Liner** — Dry cargo, passenger, or combination vessels operating on a definite, advertised schedule, giving relatively frequent sailings at regular intervals between U.S. and foreign ports.

**Tramp** — Dry cargo vessels operating on an irregular or unscheduled basis.

**Tanker** — Vessels ordinarily engaged in carriage of liquid cargo.

**Port call expenses** — Report expenses related to calling at U.S. ports. Include expenses for services such as pilotage; towing and tugboat services; lines; surveys; documentation; harbor fees; berth fees; etc.

**Cargo expenses** — Report expenses related to loading, unloading, and storing cargo at U.S. ports. Report expenses such as, but not limited to, those for stevedoring; handling bulk cargoes, containers, barges, etc.; lighterage; container and barge rentals; and warehouse and terminal rentals and expenses.

**Fuel expenses** — Report expenses for fuels and oils (bunkers) taken on in U.S. ports. Do not report fuel and oil expenses incurred in foreign ports even though payments for them are made to U.S. companies.

**Other vessel expenses** — Report other (nonfuel) operating expenses such as stores and supplies, vessel repairs, and personnel expenses in the United States.

**Other expenses** — Report other U.S. expenses of foreign carriers related to U.S. operations. Report expenses such as, but not limited to, U.S. agents' and brokers' fees and commissions, and expenses related to maintaining U.S. offices, such as rent, advertising, and wages.

**Total expenses** — Report all expenses incurred by foreign operators in the United States. This should equal the sum of expenses reported above.

**Shipping weight of cargo handled** — Report shipping weight (in long tons - 2,240 pounds) of total export and import cargo handled by foreign carriers included in this report, and for which cargo expenses were reported above.

**Expenses not reportable on this form** — Do not include insurance for cargoes and vessels. Do not include vessel leasing expenses, capital transfers such as vessel mortgage payments for principal and interest, depreciation expense, and payments for equipment and supplies for which Shippers Export Declarations were filed with the U.S. Customs Service.

FORM **BE-30**  
(REV. 1/98)

U.S. DEPARTMENT OF COMMERCE  
BUREAU OF ECONOMIC ANALYSIS

**MANDATORY-CONFIDENTIAL**

## QUARTERLY REPORT

## OCEAN FREIGHT REVENUES AND FOREIGN EXPENSES OF UNITED STATES CARRIERS

MAIL ONE  
COPY  
TO

**U.S. Department of Commerce  
Bureau of Economic Analysis  
Balance of Payments Division (BE-58)  
Washington, DC 20230**

**SEE INSTRUCTIONS ON REVERSE**

Type of service (Defined in general instructions) —  
Mark (X) one

- 1 ☐ Liner  
2 ☐ Industrial  
3 ☐ Irregular (dry cargo)  
4 ☐ Tanker (dry cargo)  
5 ☐ Tanker (liquid cargo)

Flag of vessel – Mark (X) one

- A** ☐ U.S.                      **B** ☐ Foreign

### 1. Period covered by this report

**2. Name and address (include ZIP Code) of person submitting report**

**3. Operating company(ies) and/or line(s)**

Public reporting burden for this collection of information is estimated to average 5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Director, Bureau of Economic Analysis (BE-1), U.S. Department of Commerce, Washington, DC 20230; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

[illegible]

**AUTHORITY** – This survey is being conducted pursuant to the International Investment and Trade In Services Survey Act, Pub. Law No. 472, 94th Congress, 90 Stat. 20259, 22 U.S.C. 3101 through 3108, as amended by Pub. Law 98-573 (hereinafter "the Act").

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the agency administrative process or judicial action applicable thereto. The control number can be found at the top of the form.

**CONFIDENTIALITY** – The Act provides that your report to this Bureau is CONFIDENTIAL and may be used only for analytical or statistical purposes. Without your prior written permission, the information filed in your report CANNOT be presented in a manner that allows it to be individually identified. Your report CANNOT be used for purposes of taxation, investigation, or regulation. Copies retained in your files are immune from legal process.

**PENALTIES** – Whoever fails to report may be subject to a civil penalty not exceeding \$10,000 and to injunctive relief commanding such person to comply, or both. Whoever willfully fails to report shall be fined not more than \$10,000 and, if an individual, may be imprisoned for not more than one year, or both. Any officer, director, employee, or agent of any corporation who knowingly participates in such violations, upon conviction, may be punished by a like fine, imprisonment, or both. (See Section 6 of the Act, 22 U.S.C. 3105.)

PERSON TO CONSULT  
CONCERNING  
QUESTIONS  
ABOUT THIS REPORT  
*Enter name and address*

## TELEPHONE NUMBER

Area Code	Number	Extension
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## CERTIFICATION

The undersigned official executing this certification on behalf of the respondent company hereby certifies that the information contained in this report is correct and complete to the best of his knowledge and belief.

Authorized official's signature

Title

Date \_\_\_\_\_



## GENERAL INSTRUCTIONS

**Purpose of the report** — Reports are required to obtain data for estimating the international transactions accounts of the United States.

**Who must report** — U.S. carriers must report. Carriers are owners or operators of dry cargo, passenger (including combination), and tanker vessels regardless of whether the vessels are registered in the United States or in foreign countries. Operators are persons who enter into any form of transportation contract with shippers of merchandise (or their agents) for the transportation of freight and cargo between U.S. and foreign ports or between foreign ports, whether on the operators' own vessels or chartered vessels.

**How to file** — Use separate forms to report data relating to (1) liner service voyages, (2) industrial service voyages, (3) irregular and tramp series voyages, (4) tanker (dry cargo) voyages, and (5) tanker liquid cargo voyages. Under each of these categories, use separate forms for the data relating to voyages in (A) U.S. flag vessels; (B) foreign flag vessels. If expenses abroad (f) cannot be distributed in this way, they may be shown under any of the categories with notation as to coverage. Revenues should be shown under the proper type of service and vessel flag as indicated above. Report revenues and expenses in thousands of dollars, and shipping weights in thousands of long tons (2,240 pounds).

### Type of service definitions:

1. **Liner (dry cargo, passenger, or combination)** — Vessels operating on a definite, advertised schedule, giving relatively frequent sailings at regular intervals between U.S. ports and foreign ports.
2. **Liner (excluding tanker)** — Vessels operating on a definite, advertised schedule and/or services made in connection with industrial or commercial operations of a specific company, with the shipping function, inbound or

outbound (not necessarily both) constituting an integral part of the company's commercial or industrial activities.

3. **Irregular** — Vessels engaged in carriage of dry cargo operating on an irregular or unscheduled basis.

4. **Tanker (dry cargo)** — Tankers engaged in carriage of dry cargo.

5. **Tanker (liquid cargo)** — Tankers engaged in carriage of liquid cargo

**Exemption** — A U.S. person otherwise required to report is exempted from reporting if total annual covered revenues (columns (a), (c), and (e)) and total annual covered expenses (columns (d) and (f)) are, or are expected to be, each less than \$500,000. If either total covered revenues or total covered expenses are, or are expected to be, \$500,000 or more, a report must be filed.

**Where to send reports** — Return reports to U.S. Department of Commerce, Bureau of Economic Analysis, Balance of Payments Division (BE-58), Washington, DC 20230.

**Frequency** — A report must be filed for each calendar quarter within 50 days after the end of the quarter.

**Assistance** — Telephone (202) 606-9589 or (202) 606-9559 during office hours — 9:00 a.m. to 5:00 p.m.

**United States** — Includes mainland United States, Alaska, Hawaii, Puerto Rico, and U.S. possessions and territories.

**Foreign countries** — Include all areas outside the United States as defined above.

## SPECIFIC INSTRUCTIONS

### Column (a) — Revenues on cargo outbound from U.S. ports to foreign destinations

Report gross freight and/or charter revenues (whether collect or prepaid) earned from shippers of merchandise in carrying U.S. exports to foreign countries, net of any special discounts allowed shippers. Include earnings on outbound intransit cargoes. Specify country of destination of cargo. Exclude earnings on cargoes carried for U.S. Department of Defense (customarily under military bill of lading or space charter).

If respondent is subsidiary, branch or other affiliate of the shipper, revenues should be reported even if the amounts are only credited to an intercompany account. Whenever selling and shipping operations are combined in one company and the sales price includes delivery at the port of destination, only the recorded or estimated gross freight or charter revenue component of the value of the cargo should be entered in (a).

### Column (b) — Outbound cargo shipping weight

Report outbound cargo shipping weight, in tons of 2,240 pounds, on which the revenues reported in (a) were earned.

### Column (c) — Revenue on cross-trade cargoes

Report gross freight and/or charter revenue earned in cross-trade, i.e., for carrying cargoes from one foreign port to another. Enter cross-trade revenue under country of destination of the cargo. Exclude cargoes carried for U.S. Department of Defense. Earnings on cargo inbound for intransit shipment through the United States or for transshipment, should be included here. If earnings on such shipments cannot be separated from other earnings on inbound cargo they may be reported in column (g) and so noted.

### Column (d) — Charter hire paid to foreign residents

Report charter hire and space leasing payments to foreign residents (specify foreign residents by country) whether for inbound, outbound, or cross-trade voyage. Report charter hire payments for vessels chartered to and operated by respondent. Report space leasing payments for space leased on vessels operated by foreigners. Include payments to foreign subsidiaries or branches of U.S. companies whether the payments are made abroad or in the United States. Exclude payments to U.S. residents including those holding vessels directly under foreign registry. If charter hire is reported net of expenses paid by you for the owner's account, such expenses, if incurred abroad, should be reported in (f). Payments for cargo containers, under charter hire, lease or rental arrangements with foreigners, should be reported in this column.

### Column (e) — Charter hire received from foreign residents

Report charter hire and space leasing revenue received from foreign residents (specify foreign residents by country) whether for inbound, outbound, or cross-trade voyage. Report charter hire revenue for vessels chartered to and operated by foreign residents. Report space leasing revenue for space leased to foreign residents. The term "foreign residents" includes subsidiaries and branches of U.S. companies abroad. If charter hire receipts are net of expenses paid by the foreign residents for respondent's account, these expenses, even if incurred abroad, should not be reported in (f). Receipts for cargo containers, under charter hire, lease or rental arrangements with foreigners, should be reported in this column.

### Column (f) — Expenses in foreign countries

Report all expenses in foreign countries, such as fuel, stores, repairs, stevedoring, harbor fees, agents' commissions, etc., in connection with both passenger and freight operations whether inbound, outbound, or on voyages between foreign ports. Include Panama Canal tolls and fees. Include advances in foreign ports of wages to crew members. Include expenses incurred in foreign countries but paid for in the United States, e.g., fuel laden abroad for which payment is made to oil companies in the United States. (If, in respondent's records, these expenses are combined with fuels laden in U.S. ports, reasonable estimates for portion of expenses for fuels laden in foreign ports may be submitted.) Include foreign expenses incurred by respondent for own account on cargoes carried for U.S. Department of Defense. Do not include hull and machinery, protection and indemnity, and other insurances premiums paid to foreign insurers directly or through his domestic agents. Foreign expenses may be reported in the period in which they are entered in the home office books, instead of the period in which they were actually made, if such a procedure is more convenient. If a vessel is chartered from a U.S. resident, expenses abroad paid directly by respondent should be included in this item. The U.S. resident from whom vessel is chartered should report separately expenses incurred abroad which are paid directly by him.

### Column (g) — Revenues on inbound cargo

Report gross freight and/or charter revenue earned in carrying imports into the United States. Report global total only if country of origin of imports is not known. If earnings on inbound transit and transshipment cargoes cannot be separated and reported under (c), they should be included here and so noted. Industrial concerns operating vessels for their own account should report charges made for cost of importing.

### Column (h) — Inbound cargo shipping weight

Report inbound cargo shipping weight, in tons of 2,240 pounds, on which the revenues reported in (g) were earned.

FORM **BE-36**  
(REV. 1/98)U.S. DEPARTMENT OF COMMERCE  
BUREAU OF ECONOMIC ANALYSIS**MANDATORY—CONFIDENTIAL****FOREIGN AIRLINE OPERATORS'  
REVENUES AND EXPENSES IN  
THE UNITED STATES****RETURN  
REPORTS  
TO**U.S. Department of Commerce  
Bureau of Economic Analysis  
Balance of Payments Division (BE-58)  
Washington, DC 20230**SEE INSTRUCTIONS ON REVERSE****A. Name of airline****B. Address of airline****C. Period covered by this report**

Item No.	Item	Amounts (Report in thousands of U.S. dollars)
1	Freight revenue on merchandise exported from and imported into the United States	\$
2	Shipping weights on which the freight revenues reported in Item 1 were earned	Pounds
3	Expenses incurred in the United States:	
	<b>TOTAL</b>	\$
	a. Fuel and oil	\$
	b. Wages and salaries paid to employees in the United States	\$
	c. Agents' and brokers' fees and commissions for arrangement of freight and passenger transportation	\$
	d. Aircraft handling and terminal services	\$
	e. All other expenses	\$
4	Aircraft leasing expenses	\$

**AUTHORITY** – This survey is being conducted pursuant to the International Investment and Trade In Services Survey Act, Pub. Law No. 472, 94th Congress, 90 Stat. 20259, 22 U.S.C. 3101 through 3108, as amended by Pub. Law 98-573 (hereinafter "the Act").

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the agency administrative process or judicial action applicable thereto. The control number can be found at the top of the form.

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**PENALTIES** – Whoever fails to report may be subject to a civil penalty not exceeding \$10,000 and to injunctive relief commanding such person to comply, or both. Whoever willfully fails to report shall be fined not more than \$10,000 and, if an individual, may be imprisoned for not more than one year, or both. Any officer, director, employee, or agent of any corporation who knowingly participates in such violations, upon conviction, may be punished by a like fine, imprisonment, or both. (See Section 6 of the Act, 22 U.S.C. 3105.)

PERSON TO CONSULT  
CONCERNING  
QUESTIONS  
ABOUT THIS REPORT  
Enter name and address

**TELEPHONE NUMBER**

Area Code    Number    Extension

**CERTIFICATION**

The undersigned official executing this certification on behalf of the respondent company hereby certifies that the information contained in this report is correct and complete to the best of his knowledge and belief.

Authorized official's signature

Title

Date



Public reporting burden for this collection of information is estimated to average 5 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Director, Bureau of Economic Analysis (BE-1), U.S. Department of Commerce, Washington, DC 20230; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

## GENERAL INSTRUCTIONS

**Purpose of the report** — Reports are required to obtain data for use in estimating the international transactions accounts of the United States.

**Who must report** — Reports are required from U.S. offices, agents, or other representatives of foreign airline operators that transport passengers or freight and express to or from the United States.

**Exemption** — A U.S. person otherwise required to report is exempted from reporting if total covered revenues (item 1) and total covered expenses incurred in the United States (items 3 and 4) are each less than \$500,000 in the reporting period. If either total covered revenues or total covered expenses are \$500,000 or more, a report must be filed.

**How to report** — Use this form to report information in accordance with instructions and definitions given here. Report revenues and expenses in thousands of dollars (e.g., \$10,000,000.00 = \$10,000).

**Where to send report** — Return reports to U.S. Department of Commerce, Bureau of Economic Analysis, Balance of Payments Division (BE-58), Washington, DC 20230.

**Frequency** — A report must be filled for each calendar year within 90 days after the end of the year.

**Assistance** — Telephone (202) 606-9589 or (202) 606-9559 during office hours — 9:00 a.m. to 5:00 p.m.

**United States** — Includes mainland United States, Alaska, Hawaii, Puerto Rico, and U.S. possessions and territories.

**Foreign countries** — Include all areas outside the United States as defined above.

## SPECIFIC INSTRUCTIONS

**Item 1** — Report revenue (whether collect or prepaid, in dollars and other currencies converted to dollars) derived from the carriage of freight and express to and from the United States only. Passenger revenues should not be reported.

**Item 2** — Report cargo shipping weights (in pounds) on which freight revenue reported in item 1 was earned.

**Item 3** — Report all expenses incurred in the United States associated with your carriage of freight and passengers, both inbound and outbound.

**Item 3a, 3b, and 3c** — Self explanatory.

**Item 3d** — Please include expenses for aircraft repair, maintenance, storage, and cleaning; handling services for freight and passengers; and other airport terminal services. Aircraft modification and factory-type aircraft overhauls should be included in item 3e.

**Item 3e** — Please include all other expenses such as port and landing fees; aircraft modification and factory-type aircraft overhauls; and costs incurred in the operation of general headquarters, divisional offices, airline ticket offices, and all other costs for operation of freight and passenger facilities located in the United States. These costs should

cover, for example, catering, crew expenses (hotel and per diem), rent, utilities, legal fees, telephone and other communications equipment, rental of tangible property (except aircraft), etc.

Exclude expenditures made abroad for which payments are made in the United States, i.e., payments to petroleum companies in the United States for fuel and oil loaded on aircraft in foreign countries. Also exclude administrative expenses charged to United States operations but not actually incurred in the United States; capital charges and transfers, such as payment of interest or principal on loans; depreciation on aircraft and ground equipment; and payments for purchases exported from the United States (such as aircraft parts and complete aircraft) for which Shippers Export Declarations were filed with the U.S. Customs Service.

**Item 4** — For aircraft leased from U.S. persons, report rental expenses for operating leases that have not been capitalized. Do not report financial-type leases. A lease is classified as a financial lease if there is an intent to eventually take possession of the good. If the intent is just to rent the good for a limited period, this is classified as an operating lease. Rentals of other tangible property should be included in item 3e.

FORM **BE-37**  
(REV. 1/98)U.S. DEPARTMENT OF COMMERCE  
BUREAU OF ECONOMIC ANALYSIS**MANDATORY — CONFIDENTIAL****U.S. AIRLINE OPERATORS'  
FOREIGN REVENUES AND  
EXPENSES****RETURN  
REPORTS  
TO**U.S. Department of Commerce  
Bureau of Economic Analysis  
Balance of Payments Division (BE-58)  
Washington, DC 20230**SEE INSTRUCTIONS ON REVERSE****A. Name of airline****B. Address of airline****C. Report for quarter ending:**

Item No.	Item	TOTAL (Report in thousands of dollars)
1	Total revenue derived from carriage of export freight from the United States to points outside the United States.	\$
2	Total revenue derived from carriage of freight originating from, and destined to, points outside the United States.	\$
3	Expenses incurred outside the United States — Include expenses for fuels, station and maintenance bases, wages, and other goods and services purchased abroad. Report amounts for total foreign expenses and for the ten countries where you incurred most of your foreign expenses.	
	<b>TOTAL</b>	\$
	<b>a.</b>	\$
	<b>b.</b>	\$
	<b>c.</b>	\$
	<b>d.</b>	\$
	<b>e.</b>	\$
	<b>f.</b>	\$
	<b>g.</b>	\$
	<b>h.</b>	\$
	<b>i.</b>	\$
	<b>j.</b>	\$
4	Aircraft leasing expenses.	\$
5	Total revenue derived from carriage of passengers originating from, and destined to, points outside the United States.	\$
6	a. Interline settlement receipts from foreign airline operators.	\$
	b. Interline settlement payments to foreign airline operators.	\$

**AUTHORITY** — This survey is being conducted pursuant to the International Investment and Trade in Services Survey Act, Pub. Law No. 472, 94th Congress, 90 Stat. 20259, 22 U.S.C. 3101 through 3108, as amended by Pub. Law 98-573 (hereinafter "the Act").

The filing of reports for this survey is MANDATORY under Section 5(b)(2) of the Act.

This survey has been approved by the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. 3501, et seq.).

Notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information that is subject to the Paperwork Reduction Act if: 1) the collection of information does not display a valid control number; or 2) the agency fails to inform the respondent that such person is not required to respond to the collection of information unless it displays a valid control number. The protection provided by this provision may be raised in the form of a complete defense, bar, or otherwise at any time during

the agency administrative process or judicial action applicable thereto. The control number can be found at the top of the form.

**CONFIDENTIALITY** — The Act provides that your report to this Bureau is CONFIDENTIAL and may be used only for analytical or statistical purposes. Without your prior written permission, the information filed in your report CANNOT be presented in a manner that allows it to be individually identified. Your report CANNOT be used for purposes of taxation, investigation, or regulation. Copies retained in your files are immune from legal process.

**PENALTIES** — Whoever fails to report may be subject to a civil penalty not exceeding \$10,000 and to injunctive relief commanding such person to comply, or both. Whoever willfully fails to report shall be fined not more than \$10,000 and, if an individual, may be imprisoned for not more than one year, or both. Any officer, director, employee, or agent of any corporation who knowingly participates in such violations, upon conviction, may be punished by a like fine, imprisonment, or both. (See Section 6 of the Act, 22 U.S.C. 3105.)

PERSON TO CONSULT CONCERNING QUESTIONS ABOUT THIS REPORT Enter name and address				
<b>TELEPHONE NUMBER</b>				
		Area Code	Number	Extension
<b>CERTIFICATION</b> The undersigned official executing this certification on behalf of the respondent company hereby certifies that the information contained in this report is correct and complete to the best of his knowledge and belief.				
Authorized official's signature		Title		Date



Public reporting burden for this collection of information is estimated to average 4 hours per response, including time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Director, Bureau of Economic Analysis (BE-1), U.S. Department of Commerce, Washington, DC 20230; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

## GENERAL INSTRUCTIONS

**Purpose of the report** – To obtain the data necessary to estimate aggregate revenues and expenses arising from international transactions of U.S. airline operators. These estimates are an integral part of the official U.S. balance of payments accounts. All reports are confidential and will be used exclusively for statistical purposes.

**Who must report** – Reports are required from U.S. airline operators engaged in the international transportation of U.S. export freight and the transportation of freight and passengers between foreign points.

**Exemption** – A U.S. person otherwise required to report is exempted from reporting if total annual covered revenues (item 1) and total annual covered expenses (items 3 and 4) are, or are expected to be, each less than \$500,000. If either total covered revenues or total covered expenses are, or are expected to be, \$500,000 or more, a report must be filed.

**How to report** – Use this form to report revenues and expenses in accordance with instructions and definitions given here. Report all amounts in thousands of dollars (*e.g.*, \$10,000,000.00 = \$10,000).

**Return reports to** – U.S. Department of Commerce, Bureau of Economic Analysis, Balance of payments Division (BE-58), Washington, DC 20230.

**Frequency** – A separate report should be completed for each calendar quarter, and filed with the Department within 50 days after the end of the quarter.

**Assistance** – Telephone (202) 606-9589 or (202) 606-9559 during office hours – 9:00 a.m. to 5:00 p.m.

**United States** – Includes mainland United States, Alaska, Hawaii, Puerto Rico, and U.S. territories and possessions.

**Foreign countries** – Include all areas outside the United States as defined above.

**International transactions** – For purposes of this report, international transactions include revenues of U.S. airline operators from the carriage of U.S. export freight and the transportation of freight and passengers between foreign points, expenses incurred by U.S. airline operators in foreign countries, and interline settlements with foreign airlines.

## SPECIFIC INSTRUCTIONS

**Item 1** – Report total revenue derived from common and contract carriage of export freight from the United States to points outside the United States. Include revenues from charter contracts. The originating point is the U.S. city where the carrier picks up the freight.

**Item 2** – Report total revenue derived from common and contract carriage of freight originating from, and destined to, points outside the United States. The originating point is the foreign city where the carrier picks up the freight.

**Item 3** – Report total expenses incurred outside the United States regardless of whether paid in the United States or abroad. Include expenses for fuel and oil loaded abroad aircraft in foreign countries; wages and salaries paid abroad to personnel; agents' and brokers' fees and commissions for arrangement of freight and passenger transportation; aircraft handling and terminal services such as repair, maintenance, storage, and cleaning; freight and passenger handling services; and other airport terminal expenses. Please include all other expenses such as port or landing fees; aircraft modification and overhauls; all costs incurred in the operation of general headquarters, divisional offices, airline ticket offices, and all other costs for operation of

freight and passenger facilities located in foreign countries. These costs should cover, for example, catering, crew expenses (hotel and per diem), rent utilities, legal fees, telephone and other communications equipment, rental of tangible property (except aircraft), etc.

**Item 4** – For aircraft leased from foreigners, report rental expenses for operating leases that have not been capitalized. Do not include financial-type leases. A lease is classified as a financial lease if there is an intent to eventually take possession of the good. If the intent is just to rent the good for a limited period, this is classified as an operating lease. Rentals of other tangible property should be included in item 3.

**Item 5** – Report total revenue derived from passengers' purchases of ticketed itineraries beginning and ending outside the United States.

**Item 6** – Report interline settlements:

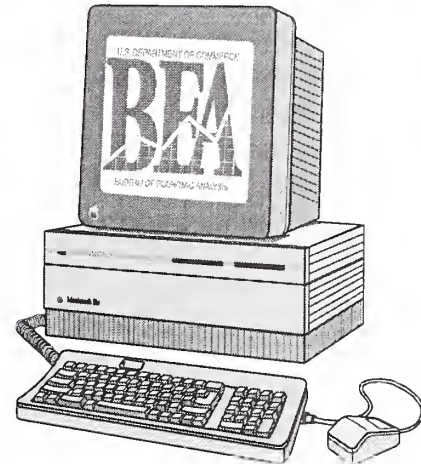
- **Item 6a** – Report receipts from foreign airline operators for transporting passengers.
- **Item 6b** – Report payments to foreign airline operators for transporting passengers.

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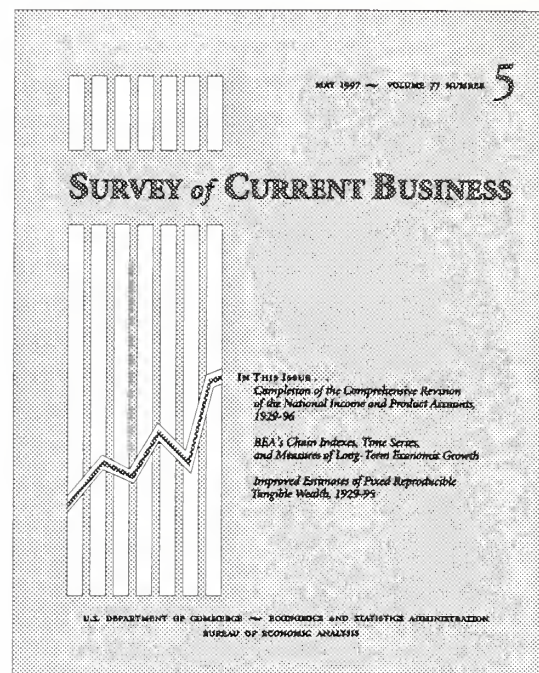
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